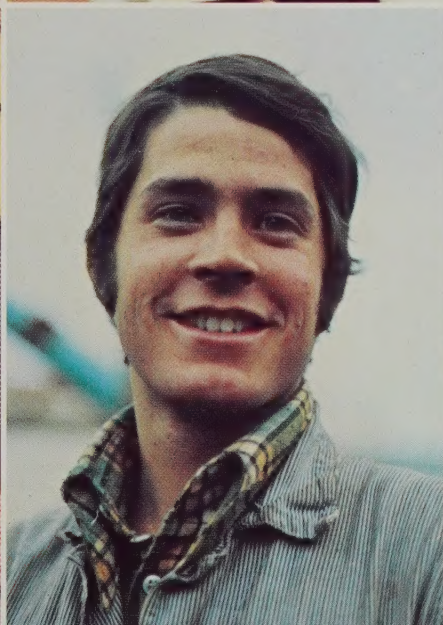
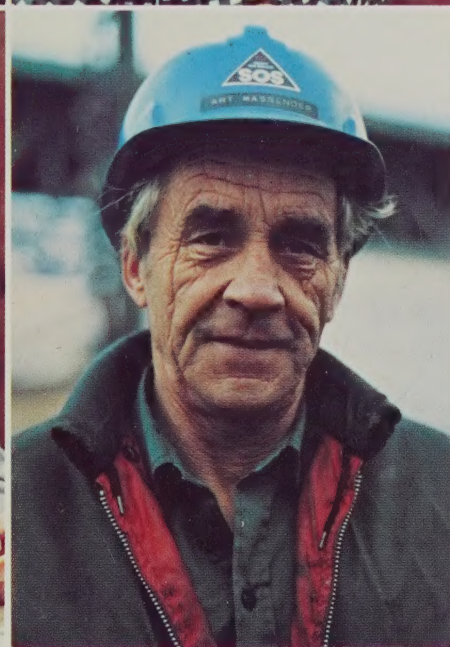


# British Columbia Telephone Company

AR22

## Annual Report 1973





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*People and their need to communicate are  
the base on which our company is built.  
Employees, investors and customers, it takes  
all three.*







# British Columbia Telephone Company

Incorporated by Special Act of the Parliament of Canada, April 12, 1916

## Eighty-second Annual Report 1973



### The Report at a Glance

	1973	1972
<strong>Financial</strong>		
Operating revenues	<b>\$258,927,000</b>	\$227,765,000
Operating expenses	<b>\$207,197,000</b>	\$180,305,000
Earnings before interest and other deductions	<b>\$ 54,421,000</b>	\$ 49,616,000
Average invested capital	<b>\$704,182,000</b>	\$634,417,000
Return on average invested capital	<b>7.73%</b>	7.82%
Ordinary share earnings	<b>\$ 18,768,000</b>	\$ 19,762,000
Earnings per average ordinary share	<b>\$ 5.80</b>	\$ 6.11
Dividends declared per ordinary share	<b>\$ 3.20</b>	\$ 3.20
Equity per ordinary share	<b>\$ 62.36</b>	\$ 59.76
Gross plant additions	<b>\$165,273,000</b>	\$132,405,000
<strong>Other</strong>		
Telephones in service	<b>1,281,655</b>	1,180,338
Telephone gain for the year	<b>101,317</b>	80,547
Average ordinary shares outstanding	<b>3,236,645</b>	3,236,625
Number of employees	<b>13,128</b>	10,816



*People and equipment provide the means  
of communication.*





# Report of Directors



J. Ernest Richardson

A buoyant economy that produced demands for service in excess of our original forecasts also produced additional revenues that offset to some extent the impact of escalating costs during 1973. However, inflationary pressures beyond the control of our Company resulted in earnings of \$5.80 per average ordinary share compared with earnings of \$6.11 in 1972 and \$5.33 in 1971.

Rising costs of operation, together with higher interest rates during 1973, affected not only our Company but the telecommunications industry throughout North America. These factors, coupled in our own case with unsettled labor conditions during most of the year, placed a considerable strain on our resources.

A rate of return on average invested capital of 7.73%, compared with 7.82% in 1972, was not unexpected under the present tariffs that govern our operations. A responsible revision of those tariffs would enable us to achieve a fair and reasonable return on investment. This is a necessity if we are to continue to meet our obligations to our employees, customers and investors.

## INFLATIONARY FACTORS

Our single most important concern in 1973 was that of providing good service in the face of the rising costs — costs of operation, of taxes and of money — and their effect on the provision of service and on earnings.

Nearly 70% of our controllable costs of operation are related to payroll.

Therefore, significant cost increases are resulting from the signing of new collective agreements which will add in excess of 20% to these costs by the end of 1974 for both this Company and our Okanagan subsidiary. Nevertheless, these settlements are comparable to wage settlements in other sectors of the economy.

New federal and provincial tax policies had the expected effect of significantly adding to our costs. These tax policies included expiration of the 7% tax reduction introduced by the Federal Government in 1972, a reduction in the basic rate from 50% to 49% and an increase in the provincial portion of the corporate income tax rate. These increased the Company tax expense by \$2,092,000. The new capital utilized tax of 1/10th of 1% introduced by the Province, cost the Company \$638,000.

These combined to increase our overall taxes and represent a net reduction in earnings of 74 cents per share compared to what they would have been had 1972 levels of taxation been in effect.

An inflationary economy fueled by high spending in all sectors resulted in higher prices and increased wage demands. This brought about significant increases in construction costs and in the costs of operations. Interest rates on bank and short-term commercial loans reached all-time highs and effective relief is not yet in sight.



Our single securities offering during 1973 was the sale of \$40 million in Series V First Mortgage Bonds at 9% interest. The balance of our requirements was obtained from short-term loans of \$39,000,000, \$4,000,000 cash available from 1972 and internal sources including retained earnings of \$8,411,000.

### EFFECTS ON SERVICE

The effects of inflation and continuing growth in demand for new and improved communications facilities made the task of providing good service to our customers one of the year's greatest challenges.

Added to these influences were the effects of disputes with the Federation of Telephone Workers of British Columbia over contract issues. During the course of collective bargaining with the Company, the Federation imposed a ban on overtime work which severely curtailed our service efforts. In negotiations with the Okanagan Telephone Company similar issues were resolved after a 19 week strike. Serious service disruptions were avoided only through the commendable efforts of supervisory personnel.

Meantime, our Company continued to take steps to increase the work force and implement advanced training methods in order to meet customer requirements. The total number of employees, both regular and part-time, in telephone operations at year-end was 12,214, a net growth of 1,398 during the year. This represented the

largest annual employment increase in our history. The new collective agreement provides for the use of additional part-time plant employees to help us cope with periods of peak activity, and these are included in the above increase.

The continuing need for space to house additional equipment, particularly in the headquarters building, has resulted in the relocation of several hundred more people. In this connection, preparations have now been completed for an eight storey addition to the headquarters building to satisfy equipment space needs and proposals are being given careful consideration to meet the urgent need for office space that will bring together the personnel now dispersed through 12 separate locations throughout Vancouver.

Customer demand, present and anticipated, resulted in the investment of \$165.3 million in 1973 for essential improvements to existing communications facilities and to provide new equipment and procedures in both the residential and business sectors. Increasing emphasis was given to the use of electronics, digital techniques and computerization to meet these requirements while increasing operating efficiency. Details of our efforts may be found in the Operations Report.

### ACQUISITION

For many years most central office installations and some repair work has been performed for the Company by Canadian Telephones and Supplies Ltd. (CT&S), a wholly owned subsidiary of Anglo-Canadian Telephone

Company. CT&S employs some 914 persons. Following a Public Hearing, approval was granted by the Telecommunication Committee of the Canadian Transport Commission for the acquisition of CT&S. The purchase was effective from June 1, 1973 and CT&S is being operated as a subsidiary so that it can continue to perform installation functions for other telephone operations elsewhere in Canada.

### LOOKING AHEAD

The potential effect on our Company resulting from the uncertainty which exists in economic matters in Canada is cause for considerable concern. Inflationary trends, aggravated by the international energy crisis, undoubtedly will have some adverse effect on economic activity, although there is wide disagreement amongst knowledgeable people as to the degree. Our Company may see some relative slowing in the demand for new communications services, although we anticipate an increase in long distance revenues.

In addition to the general economic factors influencing our Company's operations, there are a number of considerations which relate specifically



## SHAREHOLDER STATISTICS

December 31, 1973

### LOCATION OF SHAREHOLDERS

	B.C.	Other Canada	U.S.A.	Other	Total
Ordinary shares	2,892	2,483	179	81	5,635
Preference and preferred shares	10,550	6,982	244	63	17,839
	13,442	9,465	423	144	23,474

### SHARES HELD

Ordinary shares	368,632	2,808,145	23,083	36,814	3,236,674
Preference and preferred shares	851,093	1,675,088	4,496	4,323	2,535,000

### SIZE OF HOLDINGS — NUMBER OF HOLDERS

	100 and Under	101-5000	Over 5000	Total
Ordinary shares	3,842	1,743	50	5,635
Preference and preferred shares	14,220	3,588	31	17,839

to the telecommunications industry. Chief among these is the continuing difficulty in maintaining a proper relationship between costs, pricing of services, earnings and service capabilities. Our own Company is able to generate internally the funds needed for only about half of our total construction expenditures, which will amount to a record \$192 million in 1974. The remainder must come from investors, through either share and/or debt issues. In either case, investment capital can only be attracted by adequate earnings which, in turn, are dependent upon our receiving adequate rates for our services.

### OUR PLACE IN THE COMMUNITY

The telephone and the family of communication devices that have grown up around it are often taken for granted. It is something that is there and expected to be there when it is wanted or needed. However, the telephone industry did not grow by

accident. It is the result of much careful planning and hard work by many dedicated people and of the confidence of many individual investors. But like the telephone itself the industry has been taken for granted.

In our case, the dimension of the Company's impact on the economy of British Columbia is not generally recognized.

If our capital expenditure for 1973 had been applied in the area of housing, for example, it could have produced some 4,000 single family homes in the \$40,000 range — enough accommodation for the population of the city of Nanaimo.

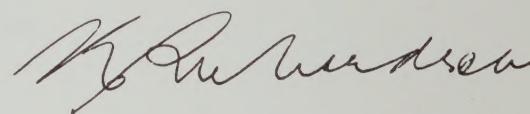
An equivalent expenditure in the primary resource industries would have completely built two large pulp mills

in a single year or developed and brought into production several large mines.

Wages totalling \$123,779,000 were paid in 1973 to the employees of the Company. The income taxes amounting to \$23,400,000 which were withheld from employees' wages and paid to the government benefited all Canadians. The effect of these wages throughout the community is to create many thousand more jobs in the province. And the employees of the Company — one out of every eighty workers in B.C. works for the telephone company — contribute more than money. They are good citizens whose efforts enrich community life all through the province.

Reference was made in last year's report to our regret over statements that had been made by the then newly elected provincial government with regard to a possible takeover of your Company. Our shareholders may continue to be assured that we will oppose any such action and that we will take whatever steps are necessary to protect your interests.

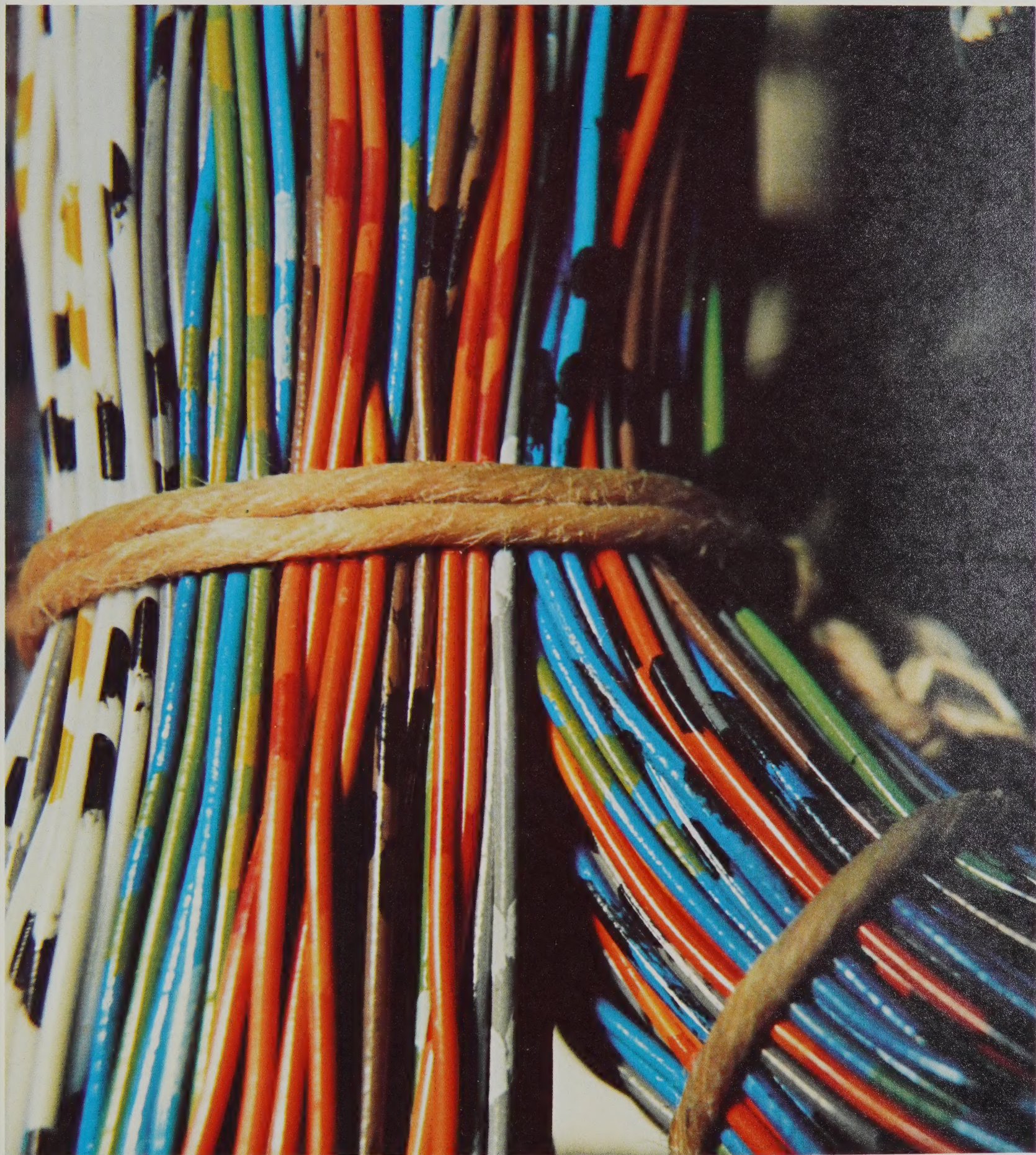
The Company wishes to provide a first-class service to as many citizens of British Columbia as is possible within the practical limitations of its financial and regulatory constraints. To do this it must be allowed to live in a regulatory and political climate that will enable it to plan wisely for the future and to attract the large amounts of new capital that will be required to meet the growth requirements of this province.



President and Chief Executive Officer  
February 28, 1974



*It takes many wires to provide the paths  
of communication.*





# Operations Report

As in the previous year, 1973 provided enormous growth in demand for more and improved telephone service in both the residential and business sectors. To meet this demand, the Company spent \$165.3 million to expand and improve existing facilities. These capital expenditures represented an increase of 25% over 1972. 1974 expenditures are forecast at \$192 million, which is a further increase of 16% over 1973.

Completed toll calls originated within our system in 1973 totalled over 62,000,000, a substantial increase over 1972. Toll services produced revenues of \$132.7 million, or 51.2% of total operating revenues. This compares with 50.4% in the previous year.

## TELEPHONES IN SERVICE

The increase in the number of telephones in service and the details of capital spending in the various operating territories and Okanagan Telephone Company are summarized in the following table. During the year nearly 459,000 telephones were connected and 358,000 disconnected, for a net gain of 101,317, which represents an increase of 8.6% over the number in service at December 31, 1972.

	Telephones in Service			Capital Expenditures 1973 (000's)
	December 31 1973	Increase 1973	% Increase	
Coastal Area	758,231	54,948	7.9	\$ 93,266
Island Division	233,431	18,611	8.7	27,953
Interior Division	125,004	12,820	11.1	22,481
Northern Division	92,297	9,021	10.8	15,618
Totals	1,208,963	95,400	8.6	159,318
Okanagan	72,692	5,917	8.9	5,955
Totals	1,281,655	101,317	8.6	\$165,273

## Technological Advances

The Company continues to make major expenditures to construct additional electronic switching facilities capable of processing large volumes of telephone calls at high speed, while providing great flexibility in adjusting to changing communications needs and making possible a variety of new customer services.

During 1973 installation began on the first units of a new generation of Electronic Automatic Exchanges designated as No. 1 EAX, an electronic switching system designed for larger telephone exchanges. This sophisticated computer-controlled equipment, which will cost \$4.5 million, will be in operation in a Victoria exchange during 1974. Also being prepared for service in 1975 are additional installations of this equipment in four other exchanges on the Lower Mainland at a cost of \$17.5 million.

An electronic switching system for smaller exchanges, designated C-1 EAX, was placed in service at Dragon Lake in the Northern Division during the year. This system, costing approximately \$1 million, raises to eight the number of such installations within the system.

Initial installations were made on a

Traffic Service Position System at our headquarters building in Vancouver for handling Direct Distance Dialing calls requiring operator assistance. This \$10 million project, the most expensive single undertaking in our history, employs electronics and computers to obtain a new standard of efficiency in processing long distance calls.

We have employed, throughout our system, a simplified form of digital transmission in a carrier system using the "pulse code modulation" technique which converts voice signals into coded pulses for high-quality transmission. This method gives us the capability of moving greater amounts of information at faster speeds with more flexibility and economy than with conventional systems. Pulse Code Modulated carrier systems have been in use in the Lower Mainland since 1970. Expansion of that system in 1973 accounted for the expenditure of \$4.7 million, and more than \$21 million will have been spent by the time current PCM projects are completed in 1975.

In late 1973 the Company began production of the white pages of its telephone directories using a computer and photocomposition system instead of conventional methods of typesetting. The system, called DIREC/TION — short for directory automation — will save the Company over \$5 million in directory production costs over the next 10 years. If the manual system had remained in effect, the time between the closing of listings and publication of the directory would have grown increasingly longer.

*Another communication path, the "Wave Guide". Whether it be voice, television, computer, teletype or facsimile, all forms of communication are carried through these wave guides on their way to the microwave towers.*







This continued growth and expansion within the Company has placed a considerable strain on available space necessary to house new equipment and additional personnel required. New buildings or building additions have been completed or are in progress in a number of communities within the Province.

### **Customer Services**

Closely tied to technological development are the new procedures and organization changes introduced during the year to improve customer service. An example is the reorganization of the Coastal Division, which has been renamed the Coastal Area and has been split into an East and a West Division to take into account the rapid growth and increasing complexity of our operations in the Lower Mainland. Aside from streamlining procedures to ensure customer requests are met more quickly, the reorganization was an attempt to improve day-to-day communication with the customer by making our personnel more immediately responsible to that customer.

In the last year the Company also completed plans for the introduction of Phone Mart to our system. This concept will allow the customer to visit a telephone store in his neighborhood and choose the type of instrument he requires. The telephone is plugged into a previously installed wall socket and service is available within a matter of hours. If successful, the concept will be extended to other areas.

When centralized directory assistance was implemented in British Columbia this year, Vancouver operators began handling directory information for the entire province. Initially the service is being provided for out-of-province customers and toll operators who are able to obtain directory listings for all of British Columbia with the exception of Prince Rupert and Fort Nelson. Direct handling of directory information will speed service by saving customers and operators the additional time spent in routing a call to the distant location.

The task of processing customers' orders for telephone service speedily and efficiently has long been a major concern of the Company. Sophisticated processing through the use of television-type screens and cathode ray tubes was introduced in the customer service centre serving downtown Vancouver. This

evolutionary step in data communications enables the centre to process some 700 service orders each day compared with the previous average daily maximum of 350. This project marked the first application of these display units on a volume basis in our customer service operation.

Direct Distance Dialing will be available to 99.8% of our customers, with the completion of installations in the Cranbrook area in 1973 and in the Prince George and Williams Lake areas in 1974. More than \$6.5 million has been spent on these three projects.

Automatic Number Identification (ANI), a system whereby the number of the calling party on Direct Distance Dialed calls is automatically recorded, has been available for many years. However, the equipment was comparatively expensive and, in our case, it was felt that better use could be made of available funds. Recent developments have reduced the price of this equipment and a major program to introduce this system throughout the Company has been instituted. Ten exchanges have now been equipped with ANI.











To maintain stocks of supplies and equipment throughout the vast area served by B.C. Tel is a big job in itself. This truck makes a nightly run through the lower Fraser Valley carrying its load of equipment and returning with used equipment for repair.





### **Specialized Business Services**

Of major and immediate importance to the business community in 1973 was the introduction of Dataroute, the nationwide digital data communications service sponsored by The Computer Communications Group of the Trans-Canada Telephone System, of which our Company is a member. This is the first nationwide digital data system in the world operating on a commercial basis. The service provides data transmission at considerably lower rates — savings range up to 90% in some circumstances — and also provides greater accuracy, flexibility and reliability. Dataroute is, without question, the most significant advance to date in the development of computer communications in Canada.

A new service that permits the transmission of words and pictures over conventional telephone lines was introduced to B.C. Tel's customers in June, 1973. Faxcom, derivative of the words "facsimile communications", was also developed

for The Computer Communications Group of the Trans-Canada Telephone System. Speed is Faxcom's biggest benefit to customers with long-distance transmission requirements. It can transmit a standard 8½ x 11-inch page of material in three minutes, about one-half the time of conventional units.

An experimental trial of the Confravision system, which allows audio-visual conferences between groups in widely separated locations, was conducted during 1973. Confravision employs closed-circuit television to allow businessmen to conduct meetings simultaneously in two or more locations in a faster and more economical manner than in conventional meetings requiring travel time and expense. The system also has the capability for use of visual aids such as charts and documents which can be transmitted between conference rooms during the meeting. While an unqualified technical success, no decision will be taken on offering Confravision as a service until the Company has evaluated the total impact of the system.

As more and more manufacturers, both domestic and foreign, are attracted to the production of subscribers' telephone equipment many new optional and specialized services are becoming available. Where this equipment is compatible and meets required standards we are making it available to our customers, many of whom have special situations resulting from today's complex business operations.

A service which will allow B.C. Tel's business customers to do "one-stop communications shopping" has been introduced in service centres in Whalley and North Vancouver. The service is called the Business Account Representative (BAR) program and is a joint project of the Marketing and Customer Service Departments. The program has resulted in the addition of a team of highly-trained service representatives who exclusively handle business customer contacts. Plans call for similar additions in other offices throughout the Province. Employees involved in the BAR program will handle what are termed "demand" or informational calls from business customers. This leaves salesmen more time to determine the communications requirements of larger customers.

### **Special Projects**

We were also active in other areas of close concern to individual segments of the community. In the field of medicine, for example, our engineers co-operated with a number of community organizations to develop and test a revolutionary new system for the transmission of medical data. The first of its kind in Canada, the system enabled an electroencephalograph reading to be transmitted 400 miles over a dedicated telephone line. The signals,

*British Columbia's many waterways make the radiotelephone a particularly important instrument of communication.*









**NORTHERN DIVISION** — The most rugged terrain of the Province is served by 50 exchanges. There are over 92,000 telephones used by the people in this area of 238,000 square miles — 65 per cent of the Province's size.

**ISLAND DIVISION** — With the second largest number of telephones — over 233,000 — the Division serves an area of about 32,230 square miles through 41 exchanges.

Point Roberts, U.S.A., is supplied with service by B.C. Tel's Ladner exchange.

ALASKA

ANNETTE ISLAND

HYDER  
STEWART  
ALICE ARM

PRINCE RUPERT  
MASSET

SANDSPIT

Queen Charlotte Islands

TERRACE  
SMITHERS  
GRANISLE

NORTHERN

DIVISION

FORT ST. J.

PRIN GEOR

QUESN

KITIMAT

OCEAN FALLS

HAGENSBOURG

ANAHIM

STUIE

NIMPO LAKE

NAMU

TATLAYOKO LAKE

PORT HARDY

Vancouver Island

ISLAND

GOLD RIVER

CAMPBELL RIVER

AHOUSAT

TOFINO

NANAIMO

LAKE \* COWICHAN

SQUAMISH

COASTAL AREA

VANCOU

VICTORIA

West Division

COASTAL AREA

East Division

Strait of Georgia

LADNER

PT. ROBERTS

U.S.A.



# BRITISH COLUMBIA TELEPHONE COMPANY

B.C. Tel's major radio system routes are illustrated on this map. Part of the system carries satellite signals between two earth stations at Lake Cowichan, B.C. and the microwave tower on the Company's headquarters building in Vancouver.

(See two photographs below)

One of the earth stations, owned by Telesat Canada, carries signals to and from ANIK 1, the world's first satellite designed to carry domestic communications. Telesat is 1/3 owned by the Government of Canada, 1/3 by the telecommunications

carriers of Canada (of which B.C. Tel is one) while 1/3 will be offered to the Canadian public at a later date.

Internationally-owned satellite INTELSAT IV carries calls to and from the Pacific Rim countries that come down to earth at the other Lake Cowichan earth station, owned and operated by the Canadian Overseas Telecommunication Corporation (COTC).

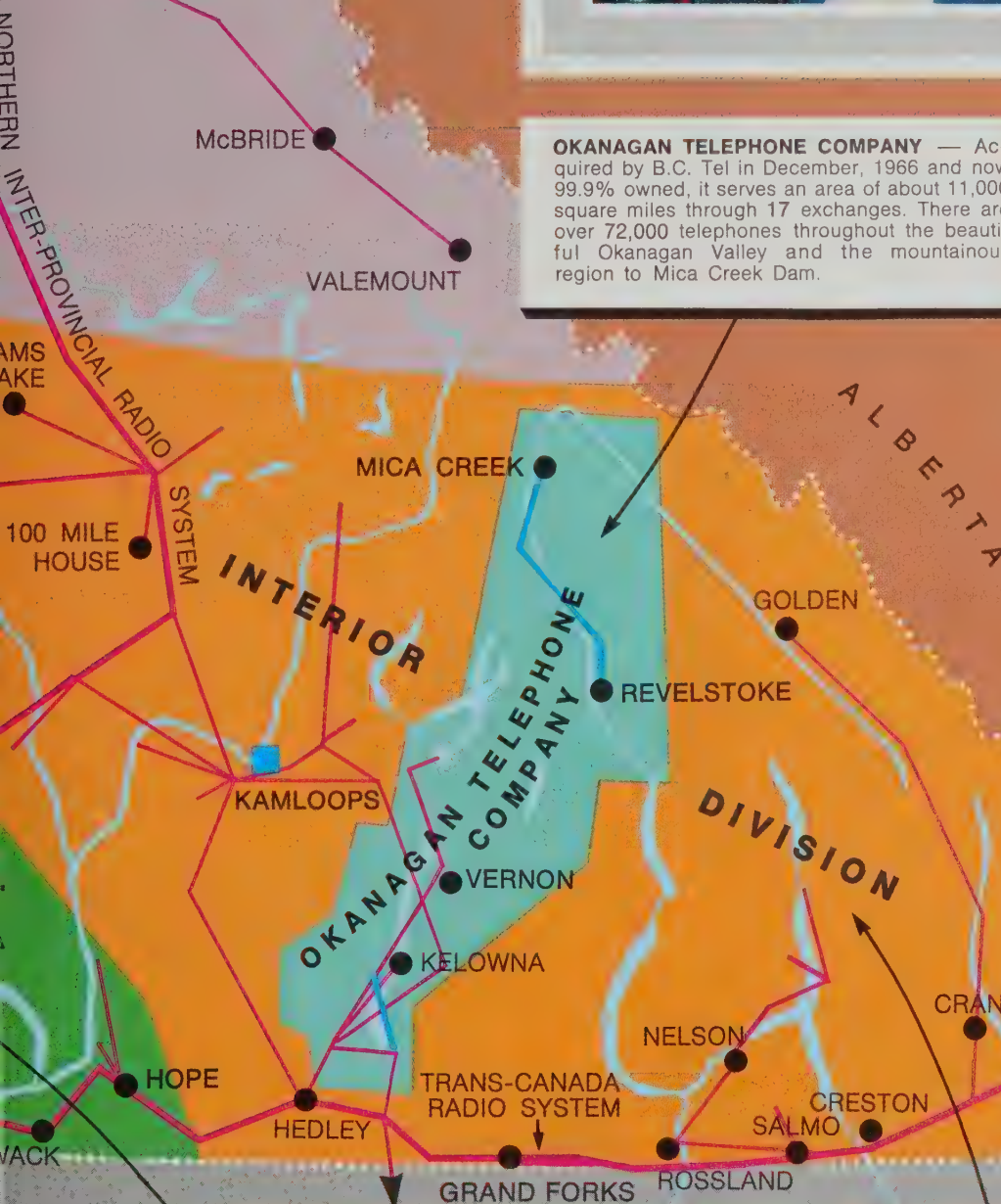


FORT ST. JOHN  
BAYTREE ALTA.  
DAWSON CREEK

Portion of Alberta in which B.C. Tel supplies service through its Dawson Creek exchange.

**OKANAGAN TELEPHONE COMPANY** — Acquired by B.C. Tel in December, 1966 and now 99.9% owned, it serves an area of about 11,000 square miles through 17 exchanges. There are over 72,000 telephones throughout the beautiful Okanagan Valley and the mountainous region to Mica Creek Dam.

- OK Tel System
- Major Radio Systems
- ✱ Earth Stations
- Division Headquarters



**COASTAL DIVISION** — Although only 3.2 per cent of the land mass of the Province, 50 per cent of the people live here, using more than 758,000 telephones linked by 30 exchanges. Vancouver is the headquarters for B.C. Tel. There are 6,900 employees in the Lower Mainland area.

**INTERIOR DIVISION** — The Kamloops and East and West Kootenay areas comprise this Division which has 125,000 telephones and 89 exchanges that serve one-fifth of the area of the Province.



translated into computer language, were sent from Trail Regional Hospital to Vancouver General Hospital to be diagnosed by specialists. Doctors in both cities were able to confer immediately over the same telephone line.

On an entirely different note, our Company was responsible for providing the wide range of communications facilities for the thousands of spectators, athletes and news media personnel who attended the Canada Summer Games at Burnaby in August. Approximately 800 miles of circuitry was installed for everything from timing devices to microwave facilities for the transmission of television coverage.

### **Employee Relations**

The Working Agreement between the Company and the Federation of Telephone Workers of British Columbia during 1971 and 1972 was in force until December 31, 1972. Negotiations on a new agreement commenced in the fall of 1972 but it was only after prolonged discussions and the services of a Conciliation Board appointed under the provisions of the Canada Labour Code that an agreement was reached June 11, 1973. The Agreement provided for wage adjustments of 8% for 1973 and an additional 9% on the 1972 base for 1974. The main point of contention was around the Company Pension Plan, a non-contributory plan that had been in effect for many years. The settlement contained an increase in benefits payable under the Plan of 10%, provided the employee joined a contributory plan to be operated by the Federation as a supplement to the Company plan. Management employees were also given the option of joining a contributory pension plan.

Contracts with the Federation of Telephone Workers of British Columbia on behalf of the employees of Okanagan Telephone Company ended on December 31, 1972 for traffic and clerical employees and on March 31, 1973 for plant employees. Following the agreement referred to in the above paragraph Okanagan Tel and the Federation entered into negotiations. These were not

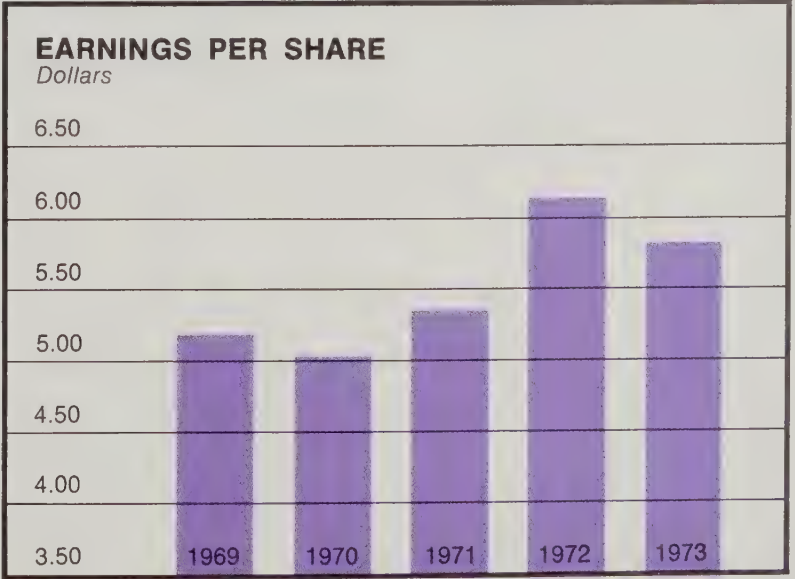
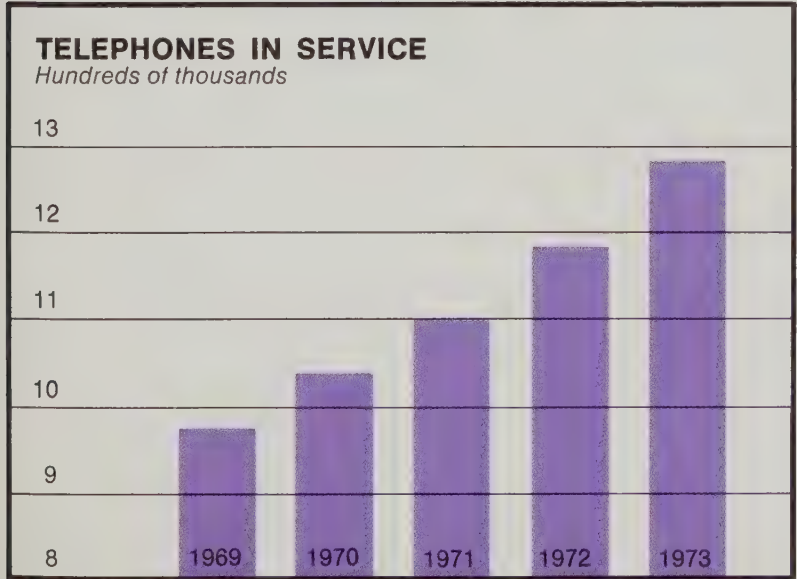
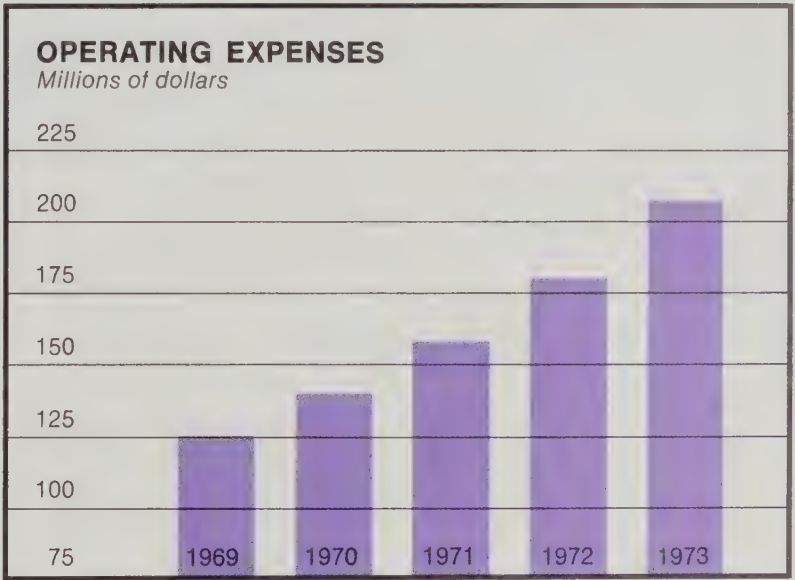
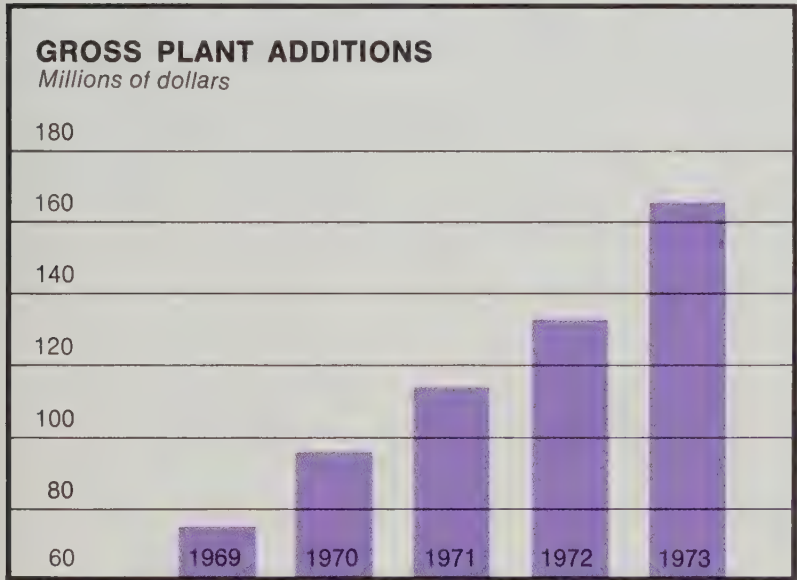
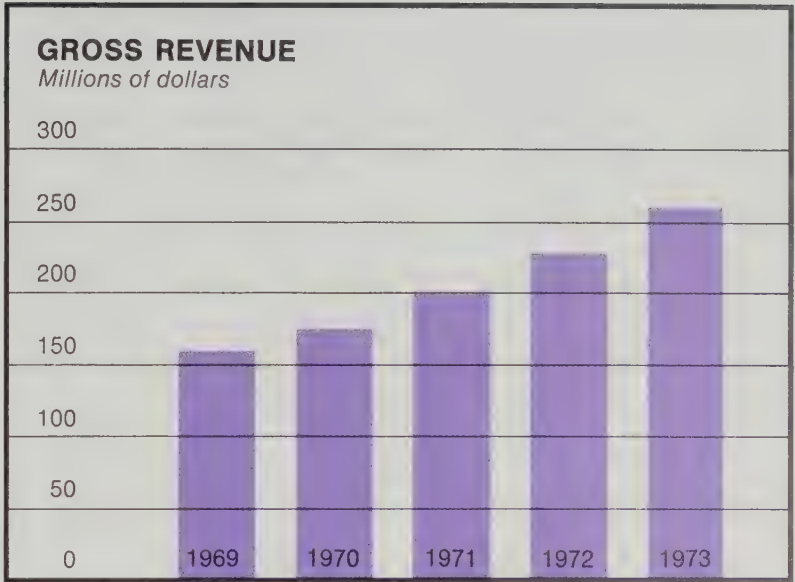
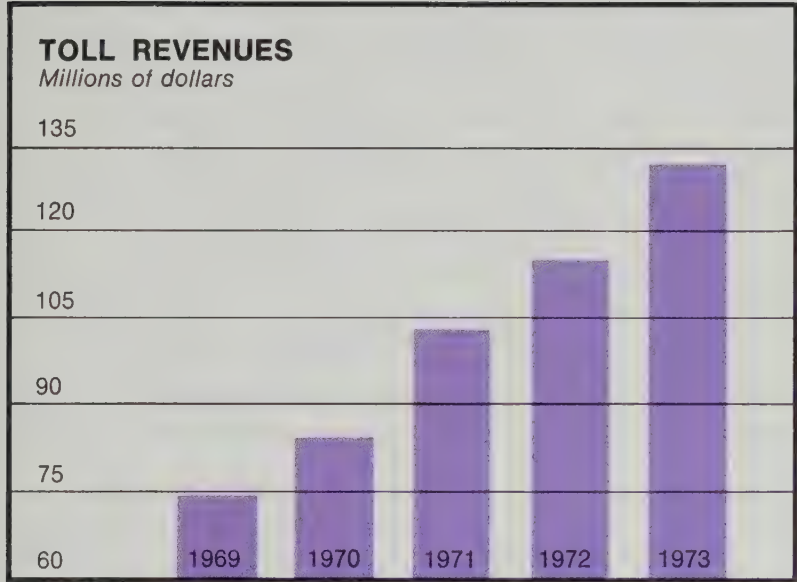
successful and a strike against Okanagan Tel commenced August 21, 1973. A Commission of Industrial Inquiry was appointed by the Honourable The Minister of Labour of British Columbia on November 27, 1973 and a return to work agreement was signed December 21, 1973, with work actually resuming on January 2, 1974.

The settlement was similar to the B.C. Telephone Agreement and brought parity in wages and most benefits to employees of both companies. The previous pension plan, a contributory plan, is being maintained for past service and a new contributory plan has been introduced for future service. The new Plan will be administered by six Trustees, three from the Federation and three from the Company. Decisions regarding investments, investment advisors and investment policy rest with the Company. Should there be disagreement in other areas there is provision for arbitration by a judge.

Contracts for both companies terminate on December 31, 1974.



# Financial Report





Consolidated gross revenues for the year totalled \$258,927,000, an increase of 13.7% over 1972. This rate of increase is slightly less than the 13.9% achieved in 1972.

Toll revenues increased 15.6% over 1972 and now account for 51.2% of total operating revenues. The growth rate in 1972 was 14.7%. Local service revenues increased 10.5%, as a result of the record growth in telephones in service. This compares with a gain of 13.7% in 1972, the first full year for revised rates effective from September 1, 1971. Miscellaneous revenues continued to show substantial growth particularly from directory advertising. New collection procedures together with an active economy resulted in a decrease in uncollectible revenues.

Operating expenses, excluding income taxes, amounted to \$184,102,000, an increase of 14.9% over 1972. This increase reflected not only increased cost pressures but also the additional staff required to handle the heavy traffic and commercial loads that accompanied the increased use of

long distance facilities and the demand for telephone service. Operating taxes of \$10,513,000 increased 18.8%, in part as a result of the new provincial tax on capital utilized of 1/10th of 1% which amounted to \$638,000.

New federal and provincial income tax policies had the expected effect of significantly adding to our costs. These combined to increase our overall taxes and represent a net reduction in earnings of 74 cents per share compared to what they would have been had 1972 levels of taxation been in effect.

Other income of \$2,691,000 was up from \$2,156,000 in 1972 due almost entirely to the increased allowance for funds used during construction as a result of the heavy construction program.

Earnings before deduction of interest, other fixed charges and dividends totalled \$54,421,000 compared with \$49,616,000 in 1972. This represented a return of 7.73% on average invested capital, down from the 7.82% earned the previous year. Fixed charges of \$29,855,000 were substantially higher than the \$24,756,000 in 1972 as a result of the sale of \$40,000,000 First Mortgage Bonds dated October 1, 1973 to mature October 1, 1997, bearing interest at 9% and the financing of the balance of the year's cash

requirements through short-term notes sold in the commercial paper market and through bank demand loans at rates up to 9½%. At year-end these loans totalled \$35,370,000 and an additional \$3,500,000 was on loan from Anglo-Canadian Telephone Company at bank prime rate.

Earnings available for ordinary shares amounted to \$18,768,000 or \$5.80 per average ordinary share, down from \$6.11 per share earned in 1972.

Ordinary share dividends declared during the year at the rate of \$3.20 per share totalled \$10,357,000, unchanged from 1972. The balance of income of \$8,411,000 was retained for use in the business.



British Columbia Telephone Company  
**Consolidated Statement of Earnings**

For the years ended December 31, 1973 and 1972

	1973	1972
	Thousands of Dollars	
<b>OPERATING REVENUES</b>		
Local service	\$ 117,469	\$ 106,289
Toll service	132,659	114,742
Miscellaneous	10,771	8,928
Less — Uncollectible operating revenues	1,972	2,194
<b>Total Operating Revenues</b>	<b>258,927</b>	<b>227,765</b>
<b>OPERATING EXPENSES</b>		
Maintenance	55,037	49,173
Depreciation	49,380	43,326
Traffic	24,247	19,662
Commercial and marketing	16,892	14,671
General and administrative (Note 2)	28,033	24,502
Provincial, municipal and other taxes	10,513	8,849
Income taxes	23,095	20,122
<b>Total Operating Expenses</b>	<b>207,197</b>	<b>180,305</b>
<b>OPERATING EARNINGS</b>	<b>51,730</b>	<b>47,460</b>
Other income	2,691	2,156
<b>Earnings Before Interest and Other Deductions</b>	<b>54,421</b>	<b>49,616</b>
<b>INTEREST AND OTHER DEDUCTIONS</b>		
Interest on long-term debt	28,098	23,013
Other interest	1,326	1,356
Amortization of long-term debt expense	431	387
	<b>29,855</b>	<b>24,756</b>
<b>NET EARNINGS</b>	<b>24,566</b>	<b>24,860</b>
Preference and preferred dividends	5,798	5,098
<b>ORDINARY SHARE EARNINGS</b>	<b>\$ 18,768</b>	<b>\$ 19,762</b>
<b>EARNINGS PER AVERAGE ORDINARY SHARE</b>	<b>\$ 5.80</b>	<b>\$ 6.11</b>
<b>DIVIDENDS DECLARED PER ORDINARY SHARE</b>	<b>\$ 3.20</b>	<b>\$ 3.20</b>



British Columbia Telephone Company  
**Consolidated Balance Sheet**

As at December 31, 1973 and 1972

**Assets**

	1973	1972
	Thousands of Dollars	
TELEPHONE PLANT, at cost	\$ 1,105,167	\$ 961,490
Less — Accumulated depreciation	246,356	219,229
	858,811	742,261
INVESTMENTS AND OTHER ASSETS, at cost		
Telesat Canada	3,300	3,300
Other	702	672
	4,002	3,972
CURRENT ASSETS		
Cash and short-term investments	510	5,330
Accounts receivable	35,479	30,128
Material and supplies, at cost	9,082	8,416
Prepayments	3,947	2,824
	49,018	46,698
DEFERRED CHARGES		
Unamortized long-term debt expense	6,714	6,463
	\$ 918,545	\$ 799,394

Approved for Board of Directors,  
A. M. McGAVIN, Director  
J. E. RICHARDSON, Director



## Capitalization and Liabilities

	1973	1972
	Thousands of Dollars	
CAPITALIZATION (per accompanying statement)		
Ordinary share equity	\$ 201,846	\$ 193,432
Preference and preferred shares	103,500	103,500
Minority interest in subsidiary	454	455
Long-term debt	417,455	377,529
	723,255	674,916
Short-term notes	38,870	—
Total Capitalization and Short-term Notes	762,125	674,916
CURRENT LIABILITIES (excluding short-term notes)		
Accounts payable	21,759	20,923
Income taxes payable	5,802	737
Dividends payable	3,864	3,864
Accrued interest	7,420	6,332
Other accrued liabilities	8,679	5,915
Unearned revenues	5,513	4,855
	53,037	42,626
INCOME TAXES DEFERRED	103,383	81,852
COMMITMENTS (Notes 3 and 4)		
	\$ 918,545	\$ 799,394



British Columbia Telephone Company  
**Consolidated Statement of Capitalization**

As at December 31, 1973 and 1972

	1973	1972
Thousands of Dollars		
Authorized Share Capital \$250,000,000		
ORDINARY SHARE EQUITY (Note 5)		
Ordinary shares, par value of \$25 each; 3,236,674 shares outstanding of which 49 were issued in 1973	\$ 80,917	\$ 80,916
Premium on ordinary shares	53,708	53,706
Earnings retained for use in the business	67,221	58,810
	<b>201,846 28%</b>	193,432 29%
CUMULATIVE PREFERENCE AND PREFERRED SHARES		
Par Value of \$100 Each	Redemption Premium	
6% Preference	10%	1,000
6% Preferred	5%	4,500
4¾% Preferred	5%	7,500
4¾% Preferred (Series 1956)	4%	7,500
4½% Preferred	4%	5,000
4⅜% Preferred	4%	6,000
5¾% Preferred	4%	10,000
5.15% Preferred	5%	12,000
Par Value of \$25 Each		
4.84% Preferred	4%	20,000
6.80% Preferred (Not redeemable before June, 1978)	6%	10,000
7.04% Preferred (Not redeemable before July, 1982)	7%	20,000
	<b>103,500 14%</b>	103,500 15%
MINORITY INTEREST IN SUBSIDIARY	<b>454</b>	455
LONG-TERM DEBT		
British Columbia Telephone Company		
First Mortgage Bonds		
Series E 4¾% due October 1, 1975	7,000	7,000
Series F 5% due April 1, 1982	25,000	25,000
Series G 5¼% due November 1, 1983	20,000	20,000
Series H 6% due September 15, 1984	15,000	15,000
Series I 5¾% due August 1, 1985	15,000	15,000
Series J 5¾% due July 15, 1986	20,000	20,000
Series K 5⅝% due April 15, 1988	20,000	20,000
Series L 6¾% due October 15, 1989	30,000	30,000
Series M 6⅜% due March 15, 1991	30,000	30,000
Series N 9⅛% due April 1, 1990	30,000	30,000
Series O 9⅝% due November 15, 1992	18,000	18,000
Series P 9⅛% due November 15, 1992	12,000	12,000
Series Q 8¼% due March 1, 1994	35,000	35,000
Series R 7½% due November 15, 1978	10,000	10,000
Series S 7⅞% due November 15, 1995	25,000	25,000
Series T 8⅝% due October 15, 1993	40,000	40,000
Series U 8⅛% due November 1, 1996 (\$20 million U.S. funds)	19,809	19,809
Series V 9% due October 1, 1997	40,000	—



# CONSOLIDATED STATEMENT OF CAPITALIZATION (continued)

	1973	1972
	Thousands of Dollars	
Okanagan Telephone Company		
General Mortgage Sinking Fund Bonds due 1975 to 1986		
at interest rates 5% to 6½ %	\$ 5,646	\$ 5,720
	417,455 58%	377,529 56%
Total Capitalization	723,255 100%	674,916 100%
SHORT-TERM NOTES (pending permanent financing)		
Promissory notes, 90 day duration at interest rate of 8¾	1,870	—
Bank demand notes, at interest rate of 9½ %	33,500	—
Demand note payable to parent company,		
at interest rate of 9½ %	3,500	—
	38,870	—
Total Capitalization and Short-term Notes	\$ 762,125	\$ 674,916

The Deed of Trust and Mortgage of British Columbia Telephone Company requires either an annual sinking fund payment of 1% of the principal amount of its bonds outstanding or the pledge of additional unmortgaged property. The Company's policy is to use the latter alternative and accordingly does not make sinking fund payments. The Deed of Trust and Mortgage of Okanagan Telephone Company requires an annual sinking fund payment of 2% of the original principal sum of each issue and this requirement, together with the debt maturities of both companies during each of the next five years is: 1974 – Nil; 1975 – \$7,454,000; 1976 – \$133,000; 1977 – \$401,000; 1978 – \$10,641,000. In addition, the holders of any Series N or P Bonds have the right to elect that the Company shall repay the principal amount of these Bonds on April 1, 1975 and November 15, 1976 respectively.

At December 31, 1973, the First Mortgage Bonds, except for Series N, P. and R, are redeemable, other than for financial advantage, at premiums ranging from ½ % to 9%. The Okanagan Telephone Company's General Mortgage Sinking Fund Bonds are callable at premiums ranging from 1% to 4¾%.



# Consolidated Statement of Earnings Retained for Use in the Business

For the years ended December 31, 1973 and 1972

	1973	1972
	Thousands of Dollars	
BALANCE AT BEGINNING OF YEAR	\$ 58,810	\$ 49,938
Ordinary share earnings	18,768	19,762
	77,578	69,700
Less —		
Ordinary share dividends	10,357	10,357
Share issue expense	—	533
BALANCE AT END OF YEAR	\$ 67,221	\$ 58,810



# Consolidated Statement of Source of Funds Used for Construction

For the years ended December 31, 1973 and 1972

	1973	1972
	Thousands of Dollars	
<b>SOURCE OF FUNDS</b>		
From Operations		
Ordinary share earnings	\$ 18,768	\$ 19,762
Add back expenses not requiring an outlay of funds		
Depreciation	49,380	43,326
Income taxes deferred	19,882	15,078
Other	977	814
	89,007	78,980
Less — Ordinary share dividends	10,357	10,357
	78,650	68,623
Financing Proceeds (Net)		
Ordinary shares	3	—
Preferred shares	—	19,467
Long-term debt	39,308	58,788
Increase (Decrease) in short-term notes	38,870	(22,630)
	78,181	55,625
Other		
Decrease in working capital	8,091	2,544
Cost of acquiring subsidiary company, net of working capital	(300)	—
Miscellaneous	(658)	2,756
	7,133	5,300
	\$ 163,964	\$ 129,548
<b>CONSTRUCTION EXPENDITURES</b>		
Gross plant additions	\$ 165,273	\$ 132,405
Less — Salvage value of plant retired	1,309	2,857
	\$ 163,964	\$ 129,548



## 1. Summary of Significant Accounting Policies

### CONSOLIDATION

The Company owns 99.9% of the common shares of Okanagan Telephone Company and during 1973 acquired 100% of the common shares of Canadian Telephones and Supplies Ltd. at a cost of \$927,016, including expenses of acquisition. The consolidated financial statements incorporate these subsidiaries' accounts, including the operations of Canadian Telephones and Supplies Ltd. for the period June 1 (effective date of acquisition) to December 31, 1973.

### TELEPHONE PLANT

Telephone plant is recorded at original cost and includes certain pension costs, payroll taxes and general overheads applicable to the construction activity. The Company follows the practice of deducting from income, for tax purposes, these construction-related costs. The tax effect of such timing differences is being deferred.

### DEPRECIATION

Depreciation rates are determined by a continuing program of engineering studies for each class of telephone plant in service, and depreciation provisions are calculated by applying such rates to the Company's investments therein each month. This procedure resulted in a composite rate of 5.22% (5.14% in 1972).

Accumulated depreciation at December 31, 1969, was overstated by \$6,368,000 resulting from a change to a more appropriate method of determining the depreciation rate applicable to the Company's investment in telephone station connections. The overstatement is being eliminated over a five-year period which commenced in 1970.

### INCOME TAXES

The Company provides for income taxes which are not currently payable due to the Company claiming for income tax purposes certain amounts, including capital cost allowances in excess of depreciation recorded in the accounts, which have not yet been charged against income. Income taxes include \$19,882,000 (\$15,078,000 in 1972) of taxes not currently payable. In addition, further deferrals of \$1,025,000 for 1972

and \$624,000 for 1971 and prior years were recorded in 1973.

The Company is in the process of claiming additional timing differences for the years 1969 to 1973 inclusive which may result in the recovery of approximately \$16,500,000 in income taxes previously paid or currently payable. Disposition of this additional claim for timing differences is not yet finalized and thus is not recorded in the consolidated financial statements.

The accumulated amount of income taxes otherwise payable as a result of tax timing differences is shown on the balance sheet as Income Taxes Deferred. Prior to December 31, 1971, the Company did not recognize income taxes otherwise payable relating to pension costs which were capitalized in the accounts. The accumulated amount of such income taxes, for which no retroactive adjustment is required, is \$5,284,000.

### ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

The Company capitalizes the cost of funds used to finance construction as a component of the cost of telephone plant based on size and duration of projects. The amount so capitalized is \$2,767,000 (\$1,666,000 in 1972) and is included in the caption Other income.

## 2. General and Administrative Expense

	1973	1972
	Thousands of Dollars	
Finance and data processing services	\$ 8,360	\$ 7,840
Engineering	4,238	3,627
Executive and administrative services	6,243	5,194
Stationery, rents, insurance and other	5,634	4,965
Pension and other benefits	9,741	8,363
Less – Charged to construction	6,183	5,487
	<u>\$28,033</u>	<u>\$24,502</u>

During the year ended December 31, 1973, there were 11 directors of British Columbia Telephone Company who received aggregate remuneration of \$18,000 as directors, and 11 officers who received aggregate remuneration of \$424,000 as officers. One



director was also an officer; none of the directors or officers received remuneration from subsidiary companies.

In addition, 2 directors of Okanagan Telephone Company received a total of \$1,800 as directors and 3 officers of Canadian Telephones and Supplies Ltd. received aggregate remuneration of \$31,000 during the period June 1 to December 31, 1973.

### 3. Pension Plans

The Company and its subsidiaries have pension plans under which employees, upon retirement, are provided a monthly pension if conditions related to age and period of service have been met. The Company funds the annual pension cost accrued and the fund exceeds any benefits vested with the employees.

The total pension provision accrued was \$7,451,000 (\$6,144,000 in 1972) which includes \$1,485,000 (\$1,291,000 in 1972) for the amortization of past service costs together with interest thereon over 25 years from January 1, 1965. Based on actuarial reports received early in 1974, the estimated unfunded liability is \$13,109,000 at December 31, 1973.

### 4. Construction Programs

The Company and its subsidiaries have announced construction programs for additional telephone plant and facilities in 1974 which are estimated to cost \$192,000,000 and substantial purchase commitments have been made in connection therewith. The companies intend to finance approximately 50% of their construction programs by cash from operations and the balance by short-term notes pending permanent financing.

### 5. Employee Share Purchase Plan

On July 26, 1973, the directors of the Company approved an offering of 99,951 ordinary shares of the Company to eligible employees of the Company and Okanagan Telephone Company under the Company's Employee Share Purchase Plan. Subsequently, eligible employees have elected to make installments toward the potential purchase of 2,586 ordinary shares of the Company under the terms of the Plan. Of the previous offering, approved on June 22, 1972, 49 shares were purchased for the sum of \$2,993.

## Auditors' Report

*To the Shareholders of  
British Columbia Telephone Company*

We have examined the consolidated balance sheet and related statement of capitalization of BRITISH COLUMBIA TELEPHONE COMPANY (incorporated under an Act of the Parliament of Canada) and subsidiaries as at December 31, 1973 and 1972, and the consolidated statements of earnings, earnings retained for use in the business and source of funds used for construction for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of British Columbia Telephone Company and subsidiaries as at December 31, 1973 and 1972, and the results of their operations and the source of funds used for construction for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

ARTHUR ANDERSEN & CO.  
Chartered Accountants

Vancouver, Canada  
January 31, 1974



British Columbia Telephone Company  
**Consolidated Five-Year Record of Progress**

Particulars	1973
SELECTED INCOME ITEMS (Thousands of Dollars)	
1 Total operating revenues	\$ 258,927
2 Local service	117,469
3 Toll service	132,659
4 Total operating expenses	207,197
5 Salaries and wages	86,348
6 Other operations expense	37,861
7 Depreciation	49,380
8 Provincial, municipal and other taxes	10,513
9 Income taxes	23,095
10 Interest and other deductions	29,855
11 Preference and preferred dividends	5,798
12 Ordinary share earnings	18,768
13 Ordinary share dividends	\$ 10,357
SELECTED BALANCE SHEET ITEMS (Thousands of Dollars)	
14 Investment in telephone plant	\$1,105,167
15 Accumulated depreciation	246,356
16 Total invested capital	762,125
17 Long-term debt	417,455
18 Preference and preferred shares	103,500
19 Ordinary share equity	\$ 201,846
FINANCIAL RATIOS	
20 Earnings per average ordinary share	\$ 5.80
21 Dividends declared per ordinary share	\$ 3.20
22 Equity per ordinary share	\$ 62.36
23 Percent return on average ordinary share equity	9.54
24 Percent return on average invested capital	7.73
25 Percent long-term debt to total capitalization	58
OTHER STATISTICS	
26 Telephones in service	1,281,655
27 Percent DDD	94.4
28 Net plant investment per telephone	\$ 670
29 Gross plant additions (Thousands of Dollars)	\$ 165,273
30 Local calls — daily average	7,865,000
31 Toll calls completed — daily average	199,000
32 Total salaries and wages (Thousands of Dollars)	\$ 123,779
33 Total pensions and related payroll costs (Thousands of Dollars)	\$ 11,433
34 Number of employees	13,128
35 Number of shareholders	23,474



1972	1971	1970	1969
\$ 227,765	\$ 199,892	\$ 174,870	\$ 158,044
106,289	93,444	85,448	78,363
114,742	100,045	84,906	74,969
180,305	158,818	139,886	125,576
73,819	64,520	54,167	44,546
34,189	31,288	27,413	24,084
43,326	38,454	34,338	32,719
8,849	7,684	6,996	6,298
20,122	16,872	16,972	17,929
24,756	22,288	17,687	14,740
5,098	4,391	4,391	4,391
19,762	15,818	14,419	14,464
\$ 10,357	\$ 9,494	\$ 8,775	\$ 8,416

\$ 961,490	\$ 854,646	\$ 760,338	\$ 682,394
219,229	197,190	174,571	155,765
674,916	609,100	549,597	495,615
377,529	317,954	284,030	224,538
103,500	83,500	83,500	83,500
\$ 193,432	\$ 184,560	\$ 158,203	\$ 152,559

\$ 6.11	\$ 5.33	\$ 5.01	\$ 5.16
\$ 3.20	\$ 3.20	\$ 3.05	\$ 3.00
\$ 59.76	\$ 57.02	\$ 54.99	\$ 53.02
10.48	9.57	9.30	9.95
7.82	7.36	6.99	7.02
56	54	54	49

1,180,338	1,099,791	1,037,684	974,823
92.5	91.3	91.6	89.3
\$ 629	\$ 598	\$ 564	\$ 540
\$ 132,405	\$ 113,106	\$ 95,111	\$ 74,666
7,364,000	7,085,000	6,281,000	6,054,000
172,000	155,000	137,000	122,000
\$ 103,245	\$ 88,724	\$ 74,217	\$ 60,808
\$ 9,461	\$ 8,162	\$ 6,761	\$ 5,434
10,816	10,274	9,636	8,889
24,362	22,287	22,927	23,503



# Directors

## BASILE A. BÉNÉTEAU

Chairman of the Board  
President and Chief Executive Officer  
Québec-Téléphone  
Rimouski, Quebec

## HARRY M. BOYCE

Chairman of the Board  
Yorkshire Trust Company  
Vancouver, B.C.

## W. THOMAS BROWN

President  
Odlum Brown & T. B. Read Ltd.  
Vancouver, B.C.

## JAMES J. CLERKIN, JR.

Executive Vice-President – Telephone  
Operating Group  
General Telephone & Electronics Corporation  
Stamford, Connecticut

## THEODORE S. GARY

Company Director  
Miami Shores, Florida

## GERALD H. D. HOBBS

President  
Cominco Ltd.  
Vancouver, B.C.

## ALLAN M. McGAVIN

Chairman of the Board  
McGavin ToastMaster Limited  
Vancouver, B.C.

## VICTOR F. MacLEAN

President and Chief Executive Officer  
Kelly, Douglas Company, Limited  
Vancouver, B.C.

## J. ERNEST RICHARDSON

Chairman, President and Chief Executive Officer  
British Columbia Telephone Company  
Vancouver, B.C.

## HUGH R. STEPHEN

Company Director  
Victoria, B.C.

## RICHARD B. WILSON

Company Director  
Victoria, B.C.

# Officers

## J. ERNEST RICHARDSON

Chairman, President and Chief Executive Officer

## GILBERT F. AUCHINLECK

Vice-President and General Manager  
(Coastal Area)

## TERENCE F. HEENAN

Vice-President – Operations

## GORDON F. MacFARLANE

Vice-President – Corporate Development

## JAMES A. MacINNES

Vice-President – Public Affairs

## D. BARRY McNEIL

Vice-President – Comptroller

## FRANK S. TUCKER

Vice-President – Personnel and Industrial  
Relations

## ROLAND J. BOUWMAN

General Counsel and Secretary

## AUBREY W. VAUGHAN

Treasurer

## DARELL CAMPBELL

Assistant Secretary and Assistant Treasurer

## J. NEIL STEWART

Assistant Treasurer

## HEAD OFFICE

768 Seymour Street, Vancouver, B.C., Canada  
V6B 3K9

## TRANSFER AGENT and REGISTRAR

Montreal Trust Company

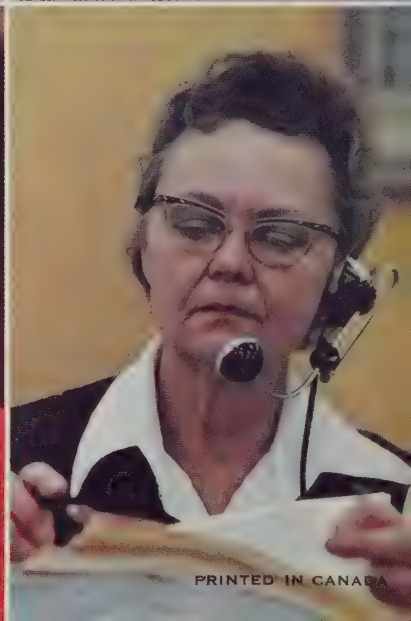
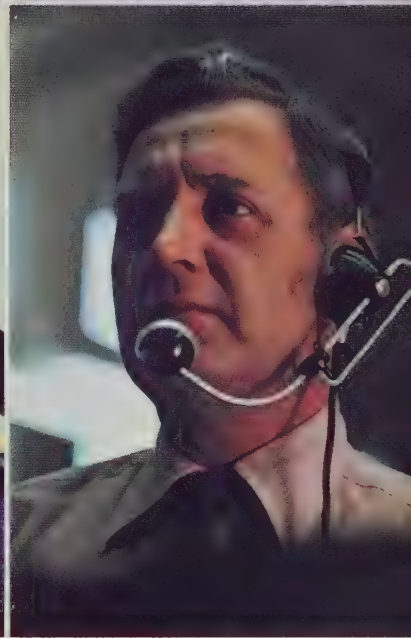
## DUPLICATE ANNUAL REPORTS

Every effort has been made to eliminate duplications in our shareholders mailing list. However, if you do have more than one holding you will receive a separate report for each registration unless your shares are registered under exactly the same name.









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PRESS FACTS  
B.C. TELEPHONE COMPANY

1973





August, 1973

SEP 20 1973

BRITISH COLUMBIA TELEPHONE COMPANY

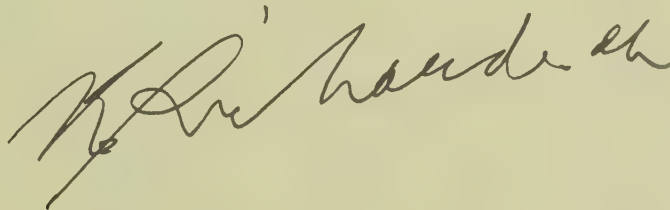
PRESS FACTS

The British Columbia Telephone Company Press Facts has been assembled as a reference manual for use by the news media.

It is part of our continuing program to keep the news media fully informed about our Company.

The information on the pages of this reference manual will be kept up to date and you will receive new pages with changes and additions as developments warrant.

We trust that it will be of assistance to you in your news reporting about the Company.

A handwritten signature in dark ink, appearing to read "J. Ernest Richardson", is written over a faint, larger version of the same signature.

J. Ernest Richardson  
PRESIDENT AND CHIEF EXECUTIVE OFFICER





SEP 20 1973

BRITISH COLUMBIA TELEPHONE COMPANY

PRESS FACTS





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BRITISH COLUMBIA TELEPHONE COMPANY

DIRECTORS

Basile A. Beneteau, Rimouski, Quebec

Harry M. Boyce, Vancouver, B.C.

W. Thomas Brown, Vancouver, B.C.

James J. Clerkin Jr., New York, N. Y.

Theodore S. Gary, New York, N. Y.

Gerald H. D. Hobbs, Vancouver, B.C.

Allan M. McGavin, Vancouver, B.C.

Victor F. MacLean, Vancouver, B.C.

J. Ernest Richardson, Vancouver, B.C.

Hugh R. Stephen, Victoria, B.C.

Richard B. Wilson, Victoria, B.C.





BRITISH COLUMBIA TELEPHONE COMPANY

OFFICERS

J. Ernest Richardson, President and Chief Executive Officer

Gilbert F. Auchinleck, Vice-President and General Manager (Coastal Area)

Roland J. Bouwman, General Counsel and Secretary

Darell Campbell, Assistant Secretary and Assistant Treasurer

Terence F. Heenan, Vice-President - Operations

Gordon F. MacFarlane, Vice-President - Corporate Development

James A. MacInnes, Vice-President - Public Affairs

D. Barry McNeil, Vice-President - Comptroller

J. Neil Stewart, Assistant Treasurer

Frank S. Tucker, Vice-President - Personnel & Industrial Relations

Aubrey W. Vaughan, Treasurer





BRITISH COLUMBIA TELEPHONE COMPANY

DIRECTORS - BIOGRAPHIES





B. A. BENETEAU

Mr. Beneteau was born in Windsor, Ontario, on August 28, 1925. He received his Bachelor of Science Degree in Electrical Engineering from Queen's University in Ontario in 1948.

He joined Quebec-Telephone as an engineer in 1948 and was appointed district engineer for St. Henri de Levis in 1950. He was manager of the Bonaventure and Gaspé Telephone Co. Ltd., a subsidiary of Quebec-Telephone, from 1953-57, and was appointed director of commercial affairs in 1957.

He was named vice-president (operations) for Quebec-Telephone in 1962, became an executive vice-president in 1966 and the following year was named president and chief executive officer of the company.

He is currently a member of the board of directors of the Bonaventure and Gaspé Telephone Co. Ltd., president of the Executive Committee of Quebec-Telephone, a member of the board of directors of the Anglo-Canadian Telephone Co. and Governor of l'Université du Québec.

He is also a member of the Canadian Telecommunications Carriers' Association, the General Council of Industry of Québec and the Corporation of Engineers of Québec.





He was married in 1948 to Margaret Ann Myers and the couple has four sons.





HARRY M. BOYCE

Born in Phoenix, B.C., Mr. Boyce spent 25 years on the staff of the B.C. Telephone Company and has been a director of the Company since 1943. He is a graduate of McGill University.

He became treasurer of B.C. Tel the same year he joined the Company, and was made a vice-president in 1950. In late 1962, following his retirement from the Company, he became president of the Yorkshire Corporation Ltd. In mid-1965, he became chairman of the board of the Yorkshire Financial Corporation Limited and its associated companies. He is presently Chairman of the Board of Yorkshire Trust Company.

He is a past chairman of the Vancouver Public Library Board and past president of the Vancouver Community Chest and Council, the Canadian Club of Vancouver and the Vancouver Advisory Board of the Salvation Army; member of the board of the Vancouver Foundation, the Library Development Commission of British Columbia; and director of the British American Bank Note Company Limited and other companies.





W. THOMAS BROWN

Mr. Brown was born in Vancouver, B.C. in 1912. He obtained his Bachelor of Arts in Economics at the University of B.C. in 1932 and his Master of Arts in Jurisprudence at Oxford.

He served in the Canadian army from 1939-45 and held the rank of Lt. Colonel on discharge. He was wounded in the Battle of Normandy in 1944.

He was a salesman with Odlum Brown and Co. from 1935-39 and after the Second World War became a director of Odlum Brown Investments Ltd. He was named president of the firm in 1958 and was elected president of Odlum Brown & T.B. Read Ltd. in 1966.

The company he heads is a member of the Investment Dealers' Association of Canada, the Toronto Stock Exchange, and the Vancouver Stock Exchange. Mr. Brown has served as a governor of the Vancouver exchange and was president of the IDAC in 1965-66.

He served as a member of the Royal Commission on Banking and Finance, which reported to the federal government in 1964. Mr. Brown has served as president or chairman with several community and civic organizations including the board of the Vancouver Public





Library, the Canadian Club, the United Services Institute, the UBC Alumni Association and the Vancouver District Council of the Boy Scout Association. He was also a member of the UBC Senate and the Vancouver Police Commission.

He is currently a member of the board of the Vancouver School of Theology, the Vancouver Foundation, the Chris Spencer Foundation, the Army Benevolent Fund, the B.C. Corps of Commissionaires and the National Second Century Fund of B.C.

Mr. Brown is a director of Wardair Canada Ltd.





JAMES J. CLERKIN, Jr.

Born in New Britain, Connecticut, Mr. Clerkin graduated from Worcester Polytechnic Institute in 1944 with a Bachelor of Science degree in mechanical engineering.

He is executive vice-president - telephone operating group and a director of General Telephone & Electronics Corporation. He was elected a director of B. C. Telephone Company in March, 1964.

After graduation from Worcester Polytechnic Institute, he served with the U. S. Navy, then graduated from the Harvard University Graduate School of Business Administration in 1947 with a master's degree in business administration.

From 1947 until 1956, he held various management positions in the manufacturing and telephone operations of Theodore Gary and Company which merged into General Telephone in 1955.

He joined Comptometer Corporation in 1956 as a vice president, was elected a director the following year, and was named executive vice president in 1960. He rejoined the GTE organization in June, 1961



as president of General Telephone & Electronics International Incorporated, and was named executive vice president - telephone operations of General Telephone & Electronics Corporation in January, 1964. He was elected a director of GTE in April, 1968.





THEODORE S. GARY

Born in Kansas City, Mr. Gary attended Yale University and Northwestern University's School of Business.

He is a director of General Telephone & Electronics Corporation and became a director of the B.C. Telephone Company on December 11, 1946. He also is a director of several other GTE subsidiaries.

He is engaged in various business activities, including investments and land development.





GERALD H. D. HOBBS

Mr. Hobbs is President of Cominco Ltd., and Director and Vice-President, Hawaiian Western Steel Limited, Honolulu. He is also a director of several other companies, including The Bank of Nova Scotia, Halifax, The White Pass & Yukon Corporation Limited, Dillingham Corporation Canada Ltd., MacMillan Bloedel Limited, and British Columbia Telephone Company, all of Vancouver.

He joined the RCASC in 1940 and served as an officer until 1946, when he entered the steel business, becoming General Manager of Western Canada Steel Limited in 1955, President in 1964 and Chairman, 1967 - 1972.

Mr. Hobbs is a member of the U.B.C. Senate and is Vice-Chairman of the Management Committee, Health Sciences Centre at U.B.C.

He was born March 11, 1921 in Vancouver, is married to Phyllis Rae (Nicolson) Hobbs and has two sons and two daughters.



ALLAN M. McGAVIN

Born January 15, 1911 in Darvel, Scotland, he came to Canada in 1913. He was educated at Upper Canada College, Toronto and at the San Diego Army and Navy Academy, Pacific Beach, Calif.

He began his business career in Edmonton in 1928 with McGavin Bakeries, established by his father and grandfather. He worked in Los Angeles, Pasadena, Lethbridge, Alta., Edmonton and Vancouver and was elected president of McGavin Bakeries in 1948. Since 1961 he has been president of McGavin ToastMaster Limited, formed at the amalgamation of the McGavin companies and Canadian Bakeries Ltd. In 1972 he was elected Chairman of the Board.

Mr. McGavin is Chairman of the Board of Governors, and Chancellor emeritus of the University of British Columbia. He is a director of several Canadian companies, including B.C. Forest Products Limited, British Properties Limited, Park Royal Limited, John Labatt Limited, Trans-Mountain Pipeline, Hudson's Bay Company, Hudson's Bay Oil and Gas Company Limited and The Bank of Nova Scotia. He is also on the Vancouver Advisory Board of the Royal Trust Company.

He has been active in many community and sports capacities, including co-Chairman of the 3 Universities Capital Fund:





vice-president, Canadian Olympic Association; Honorary-Director, Amateur Athletic Union of Canada; Chairman, Pan American Games Committee; 1963 Chairman, United Appeal of Greater Vancouver; co-Chairman, B.C. Racing Commission and vice-president, Bakery Council of Canada.

He became a director of B.C. Telephone on March 11, 1971.





VICTOR F. MacLEAN

Born in Vancouver April 28, 1924, Mr. MacLean was educated at public and high schools in Vancouver.

He is president and chief executive officer of Kelly, Douglas & Company Limited; president of Nabob Holdings Ltd., Super-Valu Stores (B.C.) Ltd., Nabob Foods Ltd., and Dickson Importing Co. Ltd.

He is chairman and director of Calvan, Canus Catering Services Ltd., and Cloverdale Paint and Chemicals Ltd., Foremost Foods Ltd.; a director of Crown Zellerbach Canada Ltd., Pacific Cartage Ltd., National Trust Company; and a member of the Vancouver Advisory Board, Vancouver Board of Trade, Canadian Manufacturers Association, and Canadian Chamber of Commerce.

Mr. MacLean joined Kelly, Douglas & Company Limited in 1947, became secretary and assistant treasurer in 1951, a director in 1952, executive vice-president in 1953, and president in 1957.



J. ERNEST RICHARDSON

(See Officers - Biographies)





HUGH R. STEPHEN

Mr. Stephen was born in Guildford, England on April 25, 1913. He began a newspaper career as a cub reporter at the age of 18 in London and worked on British newspapers for seven years before emigrating to Canada with his family in 1938.

Mr. Stephen served in the Canadian Army during the Second World War, first in the Coast Artillery and later as a member of a psychological warfare team with British forces in Southeast Asia.

He operated a laundry and dry cleaning company in Victoria from 1946 to 1962 and has served as an alderman, mayor, and president of the Victoria Art Gallery.

He was also president of the Laurier Club and a vice president of the Canadian Club.

He was elected president of the Victoria Chamber of Commerce in 1957 and was instrumental in the formation of the Capital Region Planning Board.

Mr. Stephen also was Chairman of the fund-raising campaign for the YMCA-YWCA headquarters building in Victoria.





He was also Governor of the Junior Chamber of Commerce of Canada, and Vice-chairman of the Victoria Advisory Planning Commission 1950-1958. He is an Honorary Life Member of the Community Planning Association of Canada and a Patron of the Old Contemptibles Association. He was Chairman of the Capital Region Board in 1969.

He was married March 6, 1942 to Barbara Williams. The couple has three children.

Mr. Stephen's term of office as mayor in Victoria was in 1967-68-69.



RICHARD B. WILSON

Born in Victoria, Mr. Wilson was educated at University School there, at Trinity College School, Port Hope, Ontario, and at McGill University where he graduated in 1924 with a Bachelor of Commerce degree. He was elected a director of B.C. Telephone Company March 29, 1967.

Mr. Wilson was president of Wilson Motors Limited from 1930 until 1955 and currently is a director of the Canada Trust Company, British Columbia Forest Products Limited, Bapco Paint Co. Ltd., and the Canadian Broadcasting Corporation.

He was mayor of the City of Victoria in 1962-63-64-65, and was chancellor of the University of Victoria from 1966 through 1969.

He is an honorary life member of the Alumni Association of the University of British Columbia, and received an honorary degree of Doctor of Laws from the University of British Columbia in 1969. He received an honorary degree of Doctor of Laws from the University of Victoria in 1971.

He is an honorary citizen of the City of Salaberry de Valleyfield, Quebec, and an honorary life member of the Architectural Institute of B.C.





BRITISH COLUMBIA TELEPHONE COMPANY

OFFICERS - BIOGRAPHIES





BIOGRAPHY

J. ERNEST RICHARDSON

Mr. Richardson was born in Winnipeg, Manitoba, on January 13, 1911. He was raised and educated in Halifax, Nova Scotia, where he attended public schools, the Halifax County Academy and Dalhousie University. He graduated in Arts from Dalhousie in 1934 and in Law in 1936 and was called to the Bar of Nova Scotia in 1936.

He was manager of the Eastern Trust Company in Charlottetown, P.E.I., from 1940 to 1942. He served with the 26th Battery, 4th Canadian Field Regiment, 1942-45.

He was secretary and general counsel with the Maritime Telegraph & Telephone Company Limited, Halifax, from 1946 to 1956; general commercial manager of that company from 1956 to 1957; assistant to the president, January 1, 1958; vice-president and director, February 19, 1958; and became president of the Maritime Telegraph & Telephone Company Limited in February, 1959, which position he held until September, 1963.

He also served as assistant to the president and director of the Island Telephone Company Limited, Halifax, from April, 1958, until he was named president of that company in May, 1959.



Mr. Richardson was appointed president and chief executive officer of B. C. Telephone Company, August 30, 1963. At the time of his appointment as president and chief executive officer of the B. C. Telephone Company, he was president of both the Maritime Telegraph & Telephone Company and the Island Telephone Company. In 1971 he assumed the added responsibilities of chairman of the board of B. C. Tel.

Mr. Richardson is a director of MacMillan Bloedel Limited, Placer Development Ltd. , The Halifax Insurance Company, the Commercial Life Assurance Company of Canada, Canada Cement Lafarge Ltd. , Westcoast Transmission Company Ltd. , and a vice-president of the board of directors of the Canadian Imperial Bank of Commerce. He is a regular member of The Conference Board, and a member of the Board of Governors of the Employers' Council of B. C.

He married Marian Stephens Findlay of Guelph, Ontario on June 22, 1940 and they have three sons and two daughters.





GILBERT F. AUCHINLECK

Mr. Auchinleck was born and educated in Vancouver. He was graduated in electrical engineering from the University of British Columbia in 1944 and joined B.C. Telephone Company in 1946 after serving two years in the Canadian Army as a lieutenant in the RCEME.

Mr. Auchinleck has held a number of managerial positions in the Company including Interior and Island Division Manager. He was appointed Vice-President - Staff (Operations) in December, 1970, and effective February, 1973, was made Vice-President and General Manager (Coastal Area).

Mr. Auchinleck is Vice-Chairman of the Board of Governors of the University of Victoria and a member of the Association of Professional Engineers of B.C.



ROLAND J. BOUWMAN

Mr. Bouwman was born in Heerlen, The Netherlands, and was educated at Leduc, Alberta, John Oliver High School in Vancouver and the University of British Columbia. He was in the RCAF for five years and was attached to the RAF for three years overseas as an Observer with the rank of Flight Lieutenant. He spent twelve years with the RCAF Auxiliary Reserve in Vancouver as O.C. Reserve Recruiting.

Mr. Bouwman took his law degree at UBC and was called to the bar in October, 1955. In 1956, he became a prosecutor for the City of Vancouver and was deputy city prosecutor from 1964 until July 1, 1968, when he was appointed general counsel of the B.C. Telephone Company. On August 1, 1969, he was appointed general counsel and secretary. For the last seven years, he has been a member of the Board of the Vancouver Centennial Museum and H.R. MacMillan Planetarium. Effective January 1, 1972, he was appointed a member of the Executive Committee of the Vancouver Bar Association.





DARELL CAMPBELL

Mr. Campbell was born in Vancouver, and is a Commerce graduate of the University of British Columbia and a past president of The Society of Industrial Accountants of Canada.

Mr. Campbell joined B.C. Telephone in 1957 and has held various posts before being appointed Assistant Secretary and Assistant Treasurer on August 19, 1970.



TERENCE F. HEENAN

Mr. Heenan was born and raised in Halifax. He obtained his Bachelor of Science degree from St. Mary's University, Halifax, in 1947, and his Bachelor of Electrical Engineering degree from Nova Scotia Technical College, Halifax, in 1949. The same year, he joined the Maritime Telegraph and Telephone Company in Halifax and held various positions in the engineering and traffic departments before becoming Assistant Chief Engineer with that company in 1963.

In 1965, he was appointed chairman of the Advisory Group of the Trans-Canada Telephone System, with headquarters in Montreal. He held that post until his appointment with B.C. Telephone Company.

On September 1, 1967, he was appointed vice-president - staff (operations) with B.C. Tel and on December 15, 1970, he became vice-president - operations.





GORDON F. MacFARLANE

Mr. MacFarlane was born in Victoria in 1925. He attended the University of British Columbia following service with the RCAF from 1943 to 1946, and in 1950 he obtained his Bachelor of Applied Science degree in electrical engineering.

He joined the B.C. Telephone Company in May, 1950 and has served as an equipment engineering assistant, automatic equipment engineer, plant extension engineer, Coastal Division engineering and construction manager, district manager, and director of plant and engineering services. He was appointed chief engineer and director of plant services in February, 1966.

On October 1, 1967, Mr. MacFarlane was appointed vice-president - operations, and on December 15, 1970, became vice-president - corporate development. In this capacity, he is responsible for the formulation of corporate plans, policies, and objectives, and for liaison with other communications companies and organizations and departments of Government. His responsibilities also include regulatory matters, management information services and systems development.

He is a director of Telesat Canada.



JAMES A. MacINNES

James A. MacInnes, Vice-President - Public Affairs, was born in Edmonton, Alberta, and moved to British Columbia at an early age. He graduated from the University of British Columbia in 1950 with a Bachelor of Applied Science degree in mechanical engineering, and began his career with B.C. Tel in June of the same year. After holding a number of management positions in the Engineering Department, he became Safety Director in 1958, and Coastal Division Engineering and Construction Manager in 1963. In 1966 Mr. MacInnes became Director of Public Affairs, and in September, 1972, was elected as Vice-President - Public Affairs.

He is a member of the Association of Professional Engineers of B.C., the American Society of Mechanical Engineers and the Canadian Public Relations Society.





D. BARRY McNEIL

Mr. McNeil was educated at Vancouver College and the University of British Columbia. He joined Riddell, Stead, Graham & Hutchison, chartered accountants, in 1952, obtained his chartered accountant's certificate in 1957 and became a partner in the firm in 1964.

Throughout this period, he was associated with the B.C. Telephone Company in connection with auditing, financial and regulatory affairs.

On August 1, 1967, Mr. McNeil was appointed Comptroller of B.C. Tel, and on July 22, 1971 was appointed Vice-President - Comptroller.

He was elected a Fellow of the Insitute of Chartered Accountants of B.C. in 1972.



J. NEIL STEWART

Mr. Stewart was born in Prince George. He received his Bachelor of Commerce degree from the University of British Columbia in 1958. He obtained his Chartered Accountant certificate in 1961 while with Price Waterhouse & Company and later was Mountain Region Internal Auditor with the CNR. He joined B.C. Telephone August 1, 1965 as Internal Auditor and was appointed Assistant Secretary and Assistant Treasurer in 1969.

Effective September 1, 1970 Mr. Stewart was appointed Nanaimo District Customer Service Manager, in which position he served until his election as Assistant Treasurer of the Company, December 1, 1971.





FRANK S. TUCKER

Mr. Tucker was born in Kelowna and educated in Vancouver. He joined the B. C. Telephone Company in 1939 and started his career in the construction department. He served with the Canadian Army from 1943 - 1946 in the Royal Canadian Artillery.

Upon his return to the Company he held a number of positions before being appointed toll equipment co-ordinator for the Interior division in 1961. He later became Interior division engineer and, in turn, Coastal division plant manager. He was named director of plant and customer service in 1971.

In February, 1973, Mr. Tucker was elected vice-president - personnel and industrial relations.



AUBREY W. VAUGHAN

Mr. Vaughan was born in Vancouver, B.C. on August 18, 1909. He received his education at Vancouver public schools and the University of British Columbia.

Following two and one half years with the Canadian Bank of Commerce, he joined the Independent Sales and Engineering Co. Ltd. on January 1, 1930, as bookkeeper. This company was a predecessor of Canadian Telephones & Supplies Ltd.

After holding various administrative positions including Secretary, Treasurer and Director with Canadian (B.C.) Telephones & Supplies Ltd., Dominion Directory Company Limited and Automatic Electric Sales (Canada) Limited, he became Vice-President and General Manager of Canadian (B.C.) Telephones & Supplies Ltd. on January 1, 1958.

On January 1, 1962, he joined British Columbia Telephone Company as Assistant Vice-President - Revenue Requirements. On July 1, 1965, he became Director of Finance and on August 1, 1969 was elected Treasurer.





## BRITISH COLUMBIA TELEPHONE COMPANY

### Capsule History

Telephones were first installed in British Columbia in the Spring of 1878 at two different locations on Vancouver Island. A mechanic named William H. Wall, at the Wellington Colliery of Dunsmuir, Diggle and Company, manufactured two telephone instruments and they were installed on a wire line built between the mine and the loading docks at Departure Bay, a few miles away. At approximately the same time, Mr. R.B. McMicking, Superintendent of British Columbia Telegraphs, leased two telephone instruments from the Bell Telephone Company of Canada and installed them on a line between his home and a downtown office in Victoria, for demonstration purposes.

First telephone company in British Columbia was incorporated May 8, 1880, as the VICTORIA AND ESQUIMALT TELEPHONE COMPANY, LIMITED.

First mainland system was founded February 18, 1884, as the NEW WESTMINSTER AND PORT MOODY TELEPHONE COMPANY, LIMITED. The name was changed April 6, 1886, to the NEW WESTMINSTER AND BURRARD INLET TELEPHONE COMPANY, LIMITED.

The VERNON AND NELSON TELEPHONE COMPANY, LIMITED, was incorporated April 20, 1891.

New Westminster and Burrard Inlet Telephone Company, Limited, acquired Victoria and Esquimalt Telephone Company, Limited, in 1899.

Vernon and Nelson Telephone Company, Limited, was authorized to extend operations to all parts of the province May 11, 1903.



## B.C. Tel

### Capsule History cont'd.

On March 14, 1904, the assets of the New Westminster and Burrard Inlet Telephone Company, Limited, and the Victoria and Esquimalt Telephone Company, Limited, were purchased by the Vernon and Nelson Telephone Company, Limited, which on July 5, 1904, had its name changed to  
BRITISH COLUMBIA TELEPHONE COMPANY, LIMITED.

On April 12, 1916, the WESTERN CANADA TELEPHONE COMPANY was incorporated as a federal company, with powers to operate anywhere in British Columbia and to extend lines outside B.C.

On November 29, 1919, authorization was granted to change the name from Western Canada Telephone Company to BRITISH COLUMBIA TELEPHONE COMPANY (without the Limited).

On February 8, 1923, the assets of the provincial British Columbia Telephone Company, Limited, were transferred to the new federal company. This marked the start of B.C. Tel as it is today.

The NORTH-WEST TELEPHONE COMPANY obtained a provincial charter in 1929.

British Columbia Telephone Company acquired the MISSION TELEPHONE COMPANY LIMITED in 1952; acquired the KOOTENAY TELEPHONE COMPANY LIMITED in 1953; with the North-west Telephone Company took over part of the GOVERNMENT TELEGRAPH AND TELEPHONE SERVICE territory in B.C. in 1954; and acquired CHILLIWACK TELEPHONES LIMITED in 1954.

In 1961, the North-west Telephone Company was amalgamated with British Columbia Telephone Company.

In 1966, the British Columbia Telephone Company acquired controlling interest in the Okanagan Telephone Company. At December 31, 1972, the British Columbia Telephone Company held 99.89 percent of the Okanagan Company's outstanding common shares.





## BRITISH COLUMBIA TELEPHONE COMPANY

### Company Ownership

The British Columbia Telephone Company is an investor-owned company, incorporated federally.

Anglo-Canadian Telephone Company of Montreal is the major stockholder, as it has been since 1935 when it acquired 44,943 (or 99.9%) of the 45,000 Ordinary (voting) shares then outstanding.

By 1950, Anglo-Canadian held all of the 60,000 Ordinary shares issued. Public acquisition of Ordinary shares issued during the following years reduced the Anglo-Canadian interest to as low as 33.75% of the Ordinary shares, a position reached in April, 1954.

Anglo-Canadian subsequently increased this interest gradually until by July, 1962, through shares acquired privately, on the open market, and from rights issues, it held 50.14% of the issued Ordinary shares.

At December 31, 1972, Anglo-Canadian Telephone held 1,640,644 Ordinary shares, or 50.69% of the 3,236,625 then issued and outstanding.

General Telephone & Electronics Corporation of the United States controls Anglo-Canadian Telephone Company in which it acquired controlling interest in October, 1955. At December 31, 1972, General Telephone & Electronics Corporation held an 83.28% voting control in Anglo-Canadian.

Canadian Telephones and Supplies Ltd., with headquarters in Burnaby, which does installation and some equipment assembly work for B.C. Tel under contract, is a wholly-owned subsidiary of Anglo-Canadian Telephone.

Dominion Directory Company Limited which handles printing and advertising sales for telephone directories for B.C. Tel and other telephone companies in Canada, also is a wholly-owned subsidiary of Anglo-Canadian Telephone.



BRITISH COLUMBIA TELEPHONE COMPANY

Ordinary Shareholders

At the end of 1972, a total of 3,236,625 ordinary shares of British Columbia Telephone Company stock were issued and outstanding.

The number of ordinary shareholders was 5,850.

British Columbia residents among them numbered 3,031 (or 53 percent of the total) and held 378,909 ordinary shares (or 11.7 percent of the total issued and outstanding).

Canadian residents among them numbered 5,567 (or 95.2 percent of the total) and held 3,170,269 ordinary shares (or 97.9 percent of those issued and outstanding). These include the holdings of Anglo-Canadian Telephone Company.

The number of shareholders in the U.S. totalled 190, holding 25,865 ordinary shares.

The number of shareholders in the United Kingdom numbered 59, holding 34,735 ordinary shares.

The number of Other Foreign shareholders numbered 34, holding 5,756 ordinary shares.





BRITISH COLUMBIA TELEPHONE COMPANY

Preference and Preferred Shareholders

At the end of 1972, a total of 2,535,000 preference and preferred shares were issued.

The number of preference and preferred shareholders totalled 18,512.

British Columbia residents among them numbered 11,098 (or 60 percent of the total) and held 886,309 shares (35 percent of the total issued).

Canadian residents among them numbered 18,280 (or 98.7 percent of the total) and held 2,526,602 shares (or 99.7 percent of those issued).

The number of preference and preferred shareholders in the U.S. was 167 holding 4,740 shares.

The number of preference and preferred shareholders in the United Kingdom was 49 holding 1,918 shares.

The number of Other Foreign preference and preferred shareholders was 16 holding 1,740 shares.



## BRITISH COLUMBIA TELEPHONE COMPANY

### ADMINISTRATION

The administrative structure of the Company is broken down by function, with the following reporting to the

President:

- Organization, Planning, Operations and Public Affairs (through the Vice-Presidents of Operations, Personnel and Industrial Relations, Corporate Development, Public Affairs and Comptroller)
- Treasurer
- Director of Marketing and Sales
- General Counsel and Secretary

The Vice-President - Operations is responsible for the day-to-day provision of all communications services and has reporting to him the following:

- Vice-President & General Manager (Coastal Area) who is responsible for all operational services including Customer and Traffic Services, Planning, Plant and Engineering Services in the two Divisions in the Coastal Area
- Executive Director - Operations Staff whose responsibilities include Engineering, Plant, Traffic and Commercial Staff Services
- Supply, Transportation & Buildings Director who operates a central purchasing and warehousing facility, as well as the transportation department which maintains all Company vehicles, and the buildings department whose responsibility is the maintenance of Company buildings
- Three Division Managers of the Island, Interior and Northern Divisions, who are responsible for the day-to-day operation of the communications network and for the associated engineering, construction, maintenance, traffic and customer service functions in their respective geographic areas
- General Customer Service Manager

The Vice-President - Personnel and Industrial Relations is responsible for all personnel and industrial relations matters, including collective bargaining with the Federation of Telephone Workers, employee health and welfare, benefits and records, recruitment, management employee training and development, safety, and wage and salary administration.

The Vice-President - Corporate Development is responsible for directing the formulation and recommendation of policies, plans, and objectives to meet the Company's future total telecommunications needs. He also is responsible for regulatory matters, management information services and systems development.



Administration (Cont'd)

The Vice-President - Public Affairs is responsible for developing, establishing, and promoting the use of public relations policies, procedures, plans, and programs which will develop, maintain and enhance favorable public attitudes toward the Company. He develops, recommends and implements short-range and long-range public relations and advertising objectives, plans and programs, working in close co-ordination with all other major departments in the Company.

The Vice-President - Comptroller is responsible for Accounting and Financial Planning and Results.

The Treasurer is responsible for Financing and Treasury functions.

The Director of Marketing and Sales is responsible for all marketing and sales activities of the Company. He and his staff work to develop the Marketing point of view in Company policies, and to develop new uses and new users for existing facilities. They study the market for new equipment, and integrate marketing plans with existing facilities and with the construction, manufacturing and supply programs.

General Counsel and Secretary is responsible for all legal matters affecting the Company, and also carries out the duties of Secretary as set forth in the by-laws.

Following are brief descriptions of the operating Divisions:





BRITISH COLUMBIA TELEPHONE COMPANY

COASTAL AREA

EAST DIVISION - COASTAL AREA

The East Division, with headquarters in Burnaby, includes the eastern part of Vancouver, Burnaby, New Westminster, all of the Fraser Valley, and extends as far east as to include Boston Bar and Vale.

The Division covers an area of 8580 square miles, or 2.3% of the total area of the province. (See map for exact boundaries.)

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Division Manager: C. R. Swabey	( 662-8004 ( 433-1022	980-3555
District Managers:		
Vancouver East-Burnaby District - A. A. Higinbotham	438-2131	266-2100
New Westminster District - T. R. Watson	522-1277	263-5874
Lower Fraser Valley District: R. J. E. Smith	588-9811	435-7216
Upper Fraser Valley District: F. V. Bogle	( 853-5551 ( 522-1276	859-9215



BRITISH COLUMBIA TELEPHONE COMPANY

COASTAL AREA

WEST DIVISION - COASTAL AREA

The West Division, with headquarters in Vancouver, includes the western part of Vancouver, Richmond and Steveston, the Sechelt Peninsula and the Howe Sound area including Squamish and extending to Pemberton.

The Division covers an area of 3,740 square miles, or 1.0% of the total area of the province. (See map for exact boundaries.)

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Division Manager: G. C. MacDonald	662-8027	987-6690
District Managers:		
Vancouver West-Richmond District - G. M. Scott	731-1213	731-2731
Vancouver South District - G. A. Mitchell	662-0595	324-2800
Vancouver Central District - T. G. Williams	662-0505	733-2200
North Shore District - G. L. Abbott	980-2711	266-2626





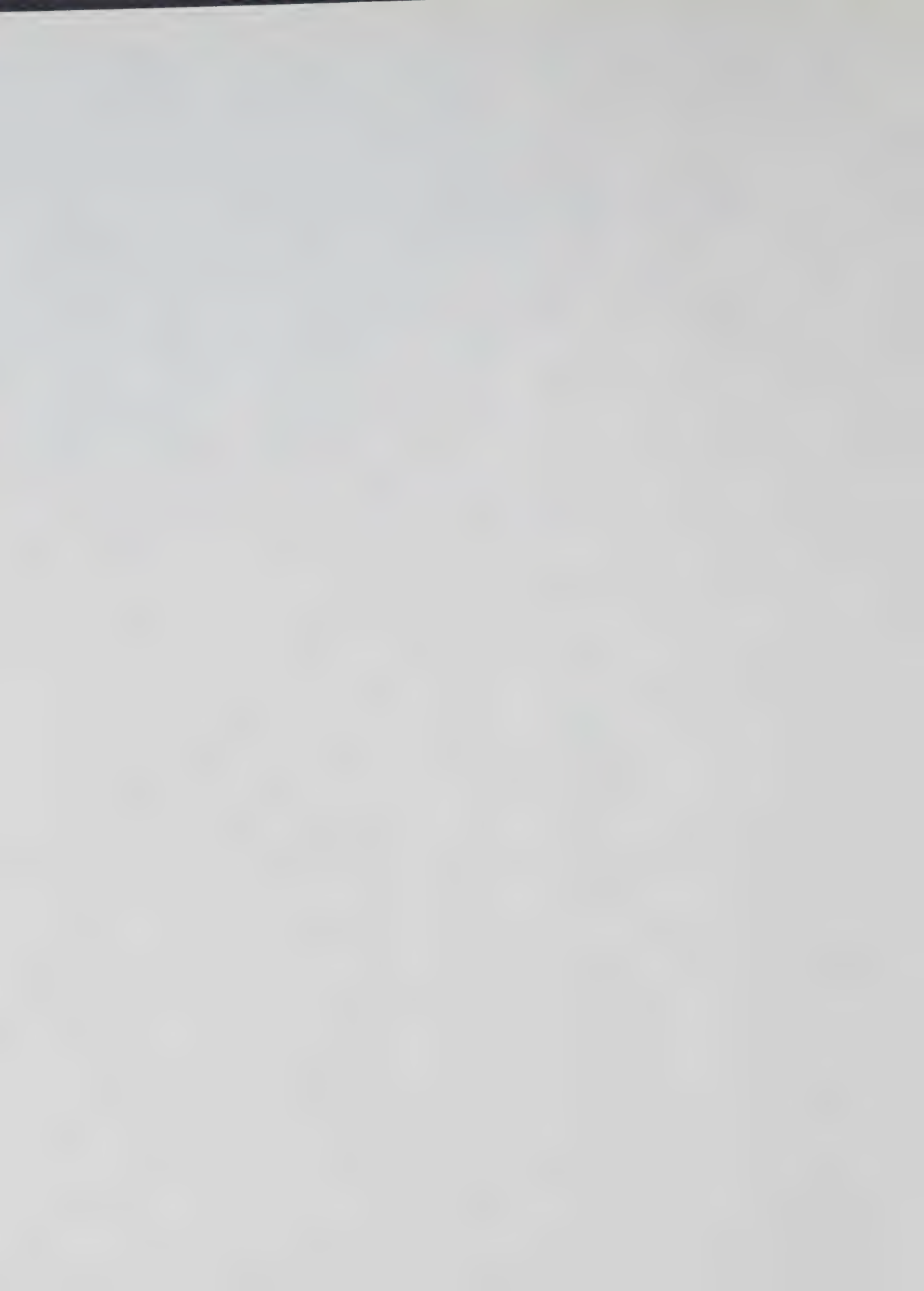
BRITISH COLUMBIA TELEPHONE COMPANY

ISLAND DIVISION

The Island Division, with headquarters in Victoria, includes all of Vancouver Island and the mainland coast from Jervis Inlet, just below Powell River, north to the boundary of the Northern Division, with the exception of Bella Coola. There are three Districts in the Division: Victoria, Nanaimo, and Campbell River.

The Division covers an area of 32,230 square miles, or 8.8% of the total area of the province. (See map for exact boundaries.)

		<u>Telephone</u>	
		<u>Business</u>	<u>Home</u>
Division Manager:	G. M. Smith	386-8991	598-2121
Division Customer Service Manager:			
	- R. V. Ostler	386-8717	658-5788
District Customer Service Managers:			
Victoria District	- B. J. Parker	386-8941	479-4237
Nanaimo District	- G. H. Ball	753-3120	758-2916
Cambell River District	- C. L. Bennie	287-3324	923-6464



BRITISH COLUMBIA TELEPHONE COMPANY

INTERIOR DIVISION

The Interior Division, with headquarters at Kamloops, extends from the eastern boundary of the Coastal Division to the Alberta border and from the international boundary to a line drawn across the province that passes just south of Quesnel. After reaching the coast the line dips below the Queen Charlotte Islands. Bella Coola is included in this Division. There are three Districts: Kamloops, West Kootenay (Headquarters - Nelson) and East Kootenay (Headquarters - Cranbrook).

The Division covers an area of 73,251 square miles or 20.00% of the total area of the province. (See map for exact boundaries.)

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Division Manager: G. K. Stenner	374-4212	374-2505
Division Customer Service Manager:		
- D. A. Smith	374-4229	372-2100
District Customer Service Managers:		
Kamloops District - R. J. Mark	374-4233	374-1640
West Kootenay District- D. S. Knight	352-9221	352-5100
East Kootenay District - J. J. McGimpsey	426-4848	426-7300



BRITISH COLUMBIA TELEPHONE COMPANY

NORTHERN DIVISION

The Northern Division, with headquarters in Prince George, consists of all territories north of the Interior Division boundry ( a line from the Alberta border to the coast that passes just south of Quesnel) served by the Company. This includes the Queen Charlotte Islands and Kitimat on the coast, Atlin on the north and the Peace River area in the east. The Division is divided into three Districts: Prince George, Terrace and Peace River.

The Division covers an area of 238,066 square miles or 65.00% of the total area of the province. (See map for exact boundries.)

		<u>Telephone</u>	
		<u>Business</u>	<u>Home</u>
Division Manager: R.C. Simpson		563-1434	562-1000
District Managers:			
Prince George	- P.W. Hedman	563-1454	563-5800
Terrace	- S.G. Patterson	635-5011	635-3044
Peace River	- W.A. Ronquist	782-3545	782-2121





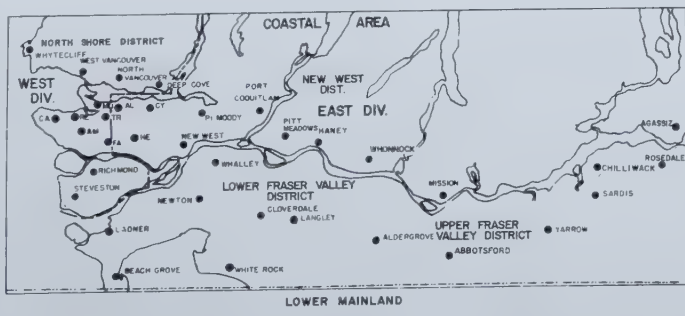
BRITISH COLUMBIA TELEPHONE COMPANY  
SUPPLY, TRANSPORTATION AND BUILDINGS DEPARTMENT

The Company maintains a central purchasing and warehousing operation at 6969 - 10th Avenue, Burnaby, B.C.

On this 21-acre site are the Purchasing Department; a central stores depot that serves as the main supply warehouse for the whole Company; the Transportation Department which maintains all Company vehicles; and the Buildings Department whose responsibility is the maintenance of Company buildings. Here also are shops where used equipment is repaired and rehabilitated and new equipment is modified to meet special customer requirements.

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Supply, Transportation & Buildings Director:		
E. P. LaBelle	526-8611	683-3636

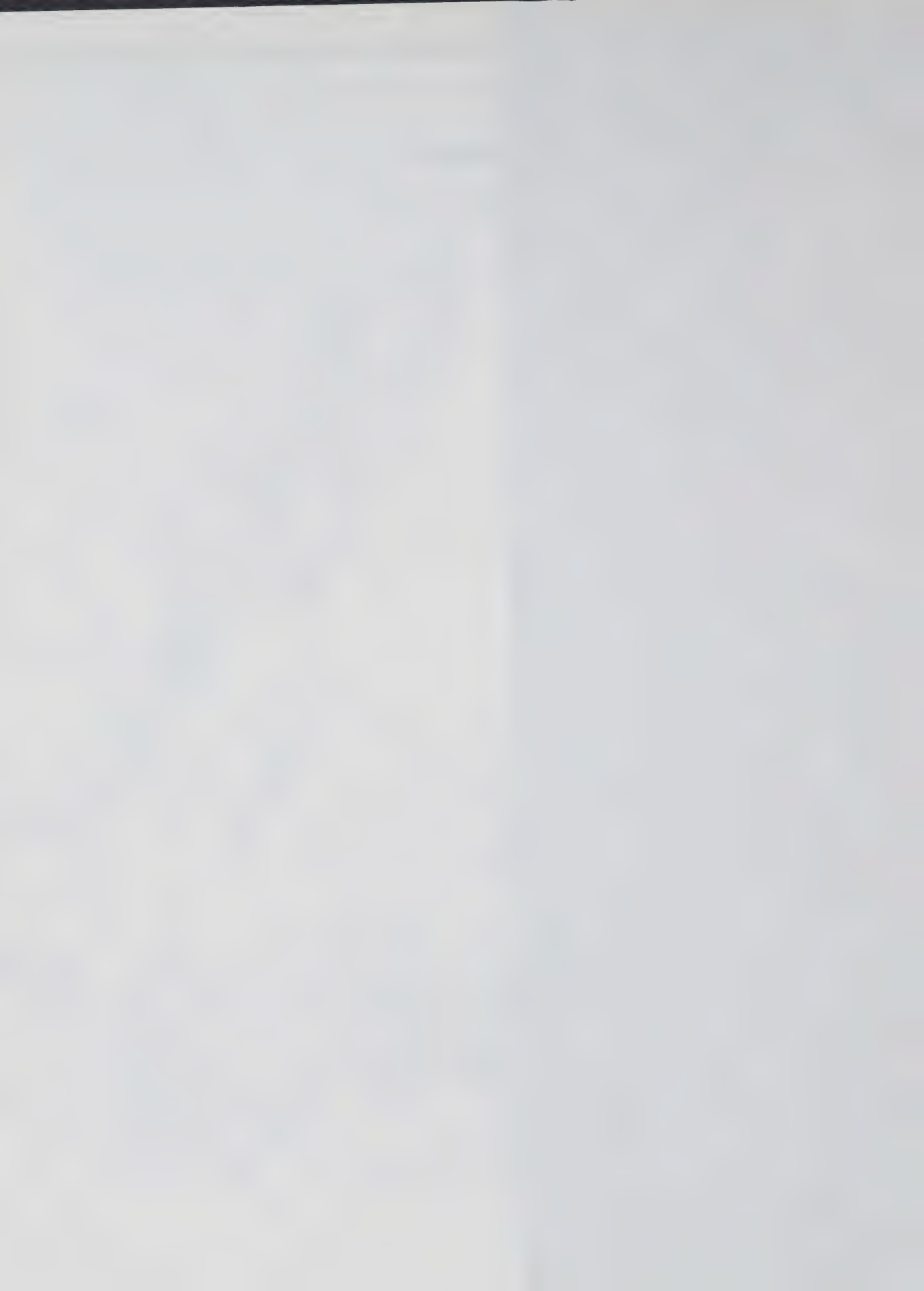


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DIVISIONS AND DISTRICTS SHOWING EXISTING CENTRAL OFFICES TO DEC 31, 1972	ISSUE NO
	16

HQH - E1007-A

ASSOCIATED DRAWINGS		DIVISIONS AND DISTRICTS SHOWING EXISTING CENTRAL OFFICES	
APPD	DR. WYK.	CH. D.J.P.	H.Q.H.-E1007-A
ENGR. J.C. DREWETH	SCALE	REF. BAR SCALE	SH. 1 OF 1
DATE DEC/70	MO	7	BRITISH COLUMBIA TELEPHONE COMPANY
REF			VANCOUVER B.C.





## BRITISH COLUMBIA TELEPHONE COMPANY

### History of Regulation

The British Columbia Telephone Company, in common with other utility companies in North America, operates under regulation by a government body.

Since B.C. Tel is incorporated as a federal company in Canada, it comes under the regulation of a federal agency, the Canadian Transport Commission, formerly known as the Board of Transport Commissioners for Canada.

The Company reports regularly to the Commission on all matters relating to telephone rates, services and earnings and must obtain the Commission's approval for issue of share capital.

Since 1921, the Company has made five applications to the Board for general rate increases to produce the revenue necessary to meet approved operating costs and to provide a reasonable return on investment so that the Company could obtain additional funds for expansion and improvement in service.

The following outlines briefly the rate applications since 1921 and the results that have ensued. The appended table shows the effect the rate changes have had on exchange services in Vancouver and Victoria.

June 29, 1949 - On this date, B.C. Telephone Company filed the first application for an increase in rates since 1921. The request was for a general increase in exchange rates to produce additional exchange revenues of \$2,261,741 per year, amounting to an increase of 17 percent in gross revenues.

The Board, in an interim order issued May 31, 1950, following public hearings in Vancouver from January 10-23, 1950 and in Victoria on January 18, 1950, authorized an increase amounting to \$1,632,455 per year or an increase of 12.27 percent on gross revenues.



## History of Regulation

On September 21, 1950, the Board's final judgment permitted introduction of a rate schedule which the Company estimated would produce an additional revenue of \$2,046,553 per year, or an increase of 15.39 percent of gross revenues. This represented 90.5 percent of what the Company had sought.

May 19, 1951 - The B. C. Telephone Company filed application for increases in exchange and toll rates to meet wage and tax cost increases amounting to \$2,202,527 a year.

It sought toll rate increases to produce additional revenue of \$661,425 annually, an increase of 12.42 percent, and exchange rate increases to produce additional revenue of \$1,535,201 annually, an increase of 11.38 percent. Together, the increases sought were for additional revenue of \$2,196,626 annually, an increase of 11.38 percent in gross revenues.

An interim order by the Board on July 6, 1951, granted the \$661,425 increase in toll revenues effective July 14, 1951 and an increase of \$1,202,914 in exchange revenues, or a total of \$1,863,339, representing 85.6 percent of the amount sought.

Subsequently, the Company filed two amendments to the application, the first on October 9, 1951, and the second on November 19, 1951, which requested additional increases in exchange rates to bring the total annual additional revenue from this source to \$1,858,888, or an increase of 14.26 percent in exchange revenues.

On January 8, 1952, the Board's final judgment confirmed the toll rate increase authorized in its interim order and authorized exchange rate schedules estimated to produce \$1,685,922 in additional annual exchange revenue, an increase of 12.88 percent. The total authorized increased rates were estimated to produce additional revenues of \$2,347,347 annually, or an increase of 12.16 percent in gross revenues.



## History of Regulation

October 22, 1952 - The B.C. Telephone Company filed application for an increase in exchange (including local coin telephone calls) and toll rates.

Rate schedules submitted represented an average increase of 12.2 percent in the toll items subject to increase, an increase to 10 from 5 cents in coin telephone local call rates, and exchange rate increases representing an average increase of 14.6 percent in the items subject to increase.

On November 24, 1952, at an interim hearing in Ottawa, the Company requested immediate relief in the amount of \$2,451,021 to cover wage and tax increases and to meet dividend and surplus requirements.

On December 4, 1952, the Board approved interim rates to be effective December 11, 1952. These granted in full the increases sought by the Company in rates and charges for the long distance toll message service, leased wire, coin telephone local calls, hotel local calls, excess measured calls, service connection and move and exchange charges, and approximately 35 percent of the proposed increase in exchange service rates. This represented 65 percent of the increased additional revenue sought by the Company.

On February 23, 1953, the Company submitted a revised additional revenue requirement figure of \$2,964,701. An estimated reduction in 1953 corporate income taxes reduced the revised request to \$2,609,482.

On March 24, 1953, the Board's final order confirmed the rates approved at the interim hearing and allowed increases in exchange rates which the Company estimated would result, in total, in additional revenues for 1953 of \$2,452,071, or 94 percent of its revised request. This represented a 9.95 percent increase in gross revenues.





## History of Regulation

April 2, 1958 - The B.C. Telephone Company filed an application for increases in exchange and toll rates and submitted rate schedules to produce \$1,513,961 annually in additional toll revenues, an increase of 10.11 percent, and \$4,945,632 annually in additional exchange revenues, an increase of 17.62 percent. Total additional annual revenues sought amounted to \$6,459,593, or an increase of 14.29 percent in total operating revenues.

On May 10, 1958, the Company filed notice of amendment to the application, decreasing the additional revenues required to \$3,996,000 from the \$6,459,593 in the original application. The decrease was required because the original application included an amount to cover future payment of deferred income tax which the federal cabinet subsequently ruled could not be included as a cost for rate-making purposes.

The Board's final judgment on the application was issued July 18, 1958 and disallowed 67.46 percent of the requested increase. The Company estimated the rates approved would produce additional revenues of \$1,318,324, or an increase of 2.97 percent in total operating revenues.

September 15, 1958 - The B.C. Telephone Company filed application for increases in exchange and toll rates to enable it to meet income tax payments on the basis of charging straight-line depreciation as an operating expense. The federal cabinet order had prohibited credits to a deferred tax reserve from being considered by the Board as an expense of the Company for rate-making purposes. The Company decided it was in the interests of the Company and its subscribers to pay taxes in full.

Schedules were submitted for increased toll and exchange rates to produce total additional revenues of \$5,753,842, an increase of 12.57 percent in total operating revenues.



## History of Regulation

On December 24, 1958, the Board issued its final judgment approving rates that would produce additional annual revenue of \$5,232,247, or an increase of 11.43 percent in total operating revenue. This amounted to 90.93 percent of the Company request.

March 1, 1965 - The Board of Transport Commissioners initiated a public review of the Company, serving notice on this date that it would hold public hearings in Vancouver to examine the Company's capital investment, revenues and expenses, debt charges, dividend payments and retained earnings; the permissive level of the Company's earnings and the basis on which such permissive level may be authorized for telephone rate purposes. The Board stated: "The Board does not intend at this time to enquire into the propriety of existing rates."

The public hearing began in Vancouver, October 25, and lasted 14 sitting days, ending November 12, 1965.

The Company asked that the Board find that the Company's level of earnings at that time was fair and reasonable. The Company also asked the Board to express its measurement of the Company's earnings in terms of earnings related to total capital employed in the business. The Company adopted the contention of an independent witness appearing for the Company that in the circumstances existing at that time, a reasonable range of earnings would be between 6.5% and 7.25% of capital employed.

In its judgment handed down May 4, 1966, the Board found the Company's rates and earnings were just and reasonable. The Board also accepted the request that the Company's permissive level of earnings be expressed in terms of percentage of invested capital.





## History of Regulation

The Board set the level of permissive earnings at between 6.2% and 6.6% of average invested capital, with fractions of less than 0.05% to be dropped in the computation and fractions of 0.05% and higher to be raised up to the next tenth of one percent in the computation

The Board also stated that, "its findings in the circumstances and conditions of a particular time, including the probable future trend of those circumstances and conditions, are not necessarily applicable to future times when circumstances and conditions may be altogether different."

January 22, 1969 - Letter received from Railway Transport Committee advising Company that it has received Company's present rate of return and that, in view of changed conditions, it will not order a reduction in the Company's rate structure at this time.

February 4, 1971 - Application filed with Canadian Transport Commission for approval to file new tariffs which will increase charges for services.

July 30, 1971 - Commission approved new rates effective September 1, 1971, which were estimated to represent an increase of 4.45% in total 1972 revenues. The increase to primary exchange service rates was 2.5%.



PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Vancouver Exchange

<u>Date</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 6.00	\$ --	\$ 3.00	\$ --
1921, August 16	6.60	4.00	3.30	3.00
1937, November 1	7.50	4.00	3.30	3.00
1950, June 10	9.75	4.00	4.20	3.00
1950, October 6	10.25	4.00	4.40	3.00
1951, July 14	11.25	4.40	4.85	3.30
1952, January 14	11.70	4.55	5.00	3.40
1952, December 11	12.40	5.30	5.20	3.95
1953, April 1	13.25	5.30	5.35	3.95
1958, September 8	13.25	6.50	5.50	3.95
1958, August 1	13.70	6.50	5.50	3.95
1959, January 1	17.10	6.50	6.25	4.50
1961, May 1	17.10	10.00	6.25	6.00
1971, September 1	17.55	15.00	6.40	10.00



PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Victoria Exchange

<u>Date</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 5.00	\$ --	\$ 3.00	\$ --
1921, August 16	5.50	4.00	3.30	3.00
1950, June 10	7.00	4.00	3.50	3.00
1950, October 6	7.35	4.00	3.65	3.00
1951, July 14	8.10	4.40	4.00	3.30
1952, January 14	8.40	4.55	4.15	3.40
1952, December 11	8.90	5.30	4.35	3.95
1953, April 1	9.50	5.30	4.50	3.95
1958, September 8	9.50	6.50	4.65	3.95
1958, August 1	10.00	6.50	4.65	3.95
1959, January 1	13.20	6.50	5.40	4.50
1961, May 1	13.20	10.00	5.40	6.00
1971, September 1	13.55	15.00	5.55	10.00





## BRITISH COLUMBIA TELEPHONE COMPANY

### Explanation of Rate Groups

Telephone rates in the British Columbia Telephone Company system now are based on the rating concept approved in 1958 by the Board of Transport Commissioners for Canada (now known as the Canadian Transport Commission).

Monthly charges for local business and residence telephones are known as "monthly exchange service rates" and these vary according to the number of telephones that can be reached without toll charge in the local free-calling area concerned.

The following pages set out the Exchange Rate Groups and the monthly Exchange Rates applied to each group.

Moves from one group to another are regulated. The Company must report to the Canadian Transport Commission on any exchange which outgrows its rate group by at least five percent. Where it is shown that the exchange will continue to have its total telephones remain above its existing rate group's upper limit, the Commission directs the Company to adjust the rates of the particular exchange to conform with the proper grouping. The same procedure applies should the total telephones in an exchange drop below the bottom station limit of the current grouping.

The common base is applied uniformly to exchanges of similar telephone development and rates are compatible with the scope of service offered.



## EXCHANGE RATE GROUPS

For the purpose of applying exchange service rates, exchanges are grouped according to the total number of stations in service, so that exchanges of similar station development are charged identical rates.

The station limits of the various rate groups are given below:

Group 1.....	Exchanges without continuous service (See note)
Group 2.....	1 - 1,000 stations
Group 3.....	1,001 - 2,000 "
Group 4.....	2,001 - 5,000 "
Group 5.....	5,001 - 10,000 "
Group 6.....	10,001 - 20,000 "
Group 7.....	20,001 - 50,000 "
Group 8.....	(a) Victoria and adjoining exchanges with Victoria Extended Area Service, except Sooke central office of Sooke exchange.
	(b) Other exchanges or central offices, excepting those with Vancouver Extended Area Service, that have stations in excess of 50,000.
Group 8A.....	Sooke central office of Sooke exchange.
Group 9.....	Vancouver and adjoining exchanges with Vancouver Extended Area Service.
Group 9A.....	Exchanges adjoining Group 9 exchanges that have Vancouver Extended Area Service.
Group 9B.....	Exchanges (other than Group 9) adjoining Group 9A exchanges that have Vancouver Ex- tended Area Service.
Group 9C.....	Exchanges other than Groups 9, 9A and 9B that have Vancouver Extended Area Service.

**Note:** When at the Company's discretion, continuous service is introduced in a Group 1 exchange, either under manual operation or by a conversion to automatic operation, Group 2 rates will become applicable.





## EXCHANGE RATES

The following table specifies the monthly exchange rates which shall apply to each unit of main station service or private branch exchange trunk service in all rate groups. The rates for main station services include the provision of standard single-line telephones.

RATE GROUP	BUSINESS SERVICES					RESIDENCE SERVICES				
	INDIVIDUAL (SEE NOTE 1)	MEASURED (SEE NOTES 1 & 2)	MULTI- PARTY	PBX TRUNKS		SEMI- PUBLIC (DAILY GUARANTEE)	INDIVIDUAL	TWO-PARTY	MULTI- PARTY	
				1-WAY	2-WAY					
1	\$ 6.40	\$ .....	\$ 3.90	\$ 8.15	\$ 9.55	\$ .21	\$ 3.45	\$ 2.55	\$ 2.10	
2	6.90	.....	4.40	8.65	10.05	.22	3.95	3.10	2.60	
3	7.80	.....	4.80	9.75	11.30	.24	4.20	3.30	2.75	
4	8.70	.....	5.20	10.85	12.65	.26	4.45	3.50	2.90	
5	9.80	.....	5.65	12.25	14.20	.28	4.70	3.70	3.05	
6	11.00	.....	6.10	13.80	16.00	.30	4.95	3.90	3.25	
7	12.30	.....	6.60	15.40	17.85	.32	5.25	4.10	3.45	
8	13.55	8.10	7.10	16.90	19.75	.35	5.55	4.35	3.65	
8A	14.55	9.10	8.10	17.95	20.75	.38	6.05	4.85	4.15	
9	17.55	10.15	9.00	21.80	25.35	.42	6.40	5.00	4.25	
9A	18.55	11.15	10.00	22.80	26.40	.45	6.90	5.55	4.75	
9B	19.60	12.20	11.00	23.85	27.40	.48	7.45	6.05	5.25	
9C	21.55	14.15	13.00	25.80	29.35	.54	8.40	7.00	6.25	

**Note 1:** Where consecutive numbers are required for two or more individual flat rate or measured lines in connection with a single service, the following additional monthly charges are applicable to each line in the group:

Rate Groups 1 - 4 .....\$ .60  
Rate Groups 5 - 7 ..... .90  
Rate Groups 8 - 9C ..... 1.15

**Note 2:** The rates shown include 100 outgoing local calls for Groups 9, 9A, 9B and 9C services and 80 outgoing local calls for Group 8 and 8A services. Excess calls are charged at \$ .06 each.



## EXCHANGES

The Rate Group and Extended Service Area, if applicable, are shown below for each exchange. Free calling exists between the Exchange and the Extended Service Area.

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Abbotsford	7	Aldergrove and Mission	Clinton	2	
Agassiz	3		Cloverdale		
Ahousat	1		Cloverdale	9C	Langley, Newton, New Westminster, Richmond and Vancouver
Aldergrove	7	Abbotsford and Langley	White Rock	9B	Ladner, Langley, Newton, New Westminster, Richmond and Vancouver
Alert Bay	3	Beaver Cove, Port McNeill and Sointula			
Alexis Creek	2				
Alta Lake	2		Cobble Hill	5	Duncan
Ashcroft	3	Cache Creek	Cortez Island	2	
Atlin	2		Courtenay	6	Cumberland and Oyster Bay
Avola	2		Cranbrook	5	
			Crawford Bay	2	
Balfour	2		Creston	4	
Bamfield	2		Cumberland	6	Courtenay and Oyster Bay
Barriere	2		Dawson Creek	5	Pouce Coupe
Bear Lake	2		Donald	2	
Beaver Cove	3	Alert Bay, Port McNeill and Sointula	Duncan	6	Chemainus and Cobble Hill
Beaverdell	2		Duncan Lake	2	
Bella Bella	2		Dunster	2	
Bella Coola	2				
Blue River	2		East Pine	2	
Boston Bar	2		Elkford	2	
Boswell	2		Elko	4	Fernie
Bowen Island	2		Falkland	2	Westwold
Bowser	4	Parksville	Fauquier	2	
Bridge Lake	2		Fernie	4	Elko
Britannia Beach	2		Field	2	
Burns Lake	3		Flatrock	2	
			Forest Grove	2	
Cache Creek	3	Ashcroft	Fort Fraser	2	
Campbell River	5		Fort St. James	2	
Canal Flats	2		Fort St. John	5	
Castlegar	4	Thrums	Fraser Lake	2	
Celista	3	Chase and Sorrento	Fruitvale	5	Trail
Chase	3	Celista and Sorrento			
Chemainus	6	Duncan and Ladysmith	Gabriola Island	7	Nanaimo
Chetwynd	2		Ganges	3	
Chief Lake	2		Gibsons	4	Port Mellon and Sechelt
Chillako	2		Giscome	2	
Chilliwack	6		Gold Bridge	1	
Christina Lake	2		Golden	4	
Clearwater	2		Gold River	2	
			Grand Forks	4	
			Granisle	2	
			Grassy Plains	2	
			Grasmere	2	
			Greenwood	2	Midway
			Gulf Islands	2	



# EXCHANGES (Continued)

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Haney	6		Nakusp	2	
Haney			Nanaimo	7	Gabriola Island and Ladysmith
Whonnock		Mission			
Hazelton	2				
Hedley	2				
Hendrix Lake	2				
Highland Valley	2		Nelson	5	
Hixon	2		New Denver	2	
Holberg	2		Newton	9A	Cloverdale, Ladner, Langley, New Westminster, Rich- mond and Vancouver
Hope	4	Yale			
Horsefly	2				
Houston	2				
Hudson's Hope	2		New Westminster	9	
Invermere	3	Radium	New Westminster		Cloverdale, Ladner, Langley, Newton, North Vancouver, Port Coquitlam, Port Moody, Richmond, Vancouver and West Vancouver
Jaffray	2				
Kamloops	7		Whalley		Cloverdale, Ladner, Langley, Newton, Port Moody, Rich- mond and Vancouver
Kaslo	2				
Kemano	2				
Keremeos	2				
Kersley	5	Quesnel	North Vancouver	9	New Westminster central office of New Westmin- ster, Port Moody, Rich- mond, Vancouver and West Vancouver
Kimberley	4				
Kitimat	5				
Kitwanga	2				
Lac la Hache	2		Ocean Falls	2	
Ladner	9A	Newton, New Westminster, Richmond, Vancouver and White Rock central office of Cloverdale	Oliver	4	Osoyoos
			100 Mile House	3	
Ladysmith	7	Chemainus and Nanaimo	Osoyoos	4	Oliver
Lake Cowichan	4	Youbou	Oyster Bay	6	Courtenay and Cumberland
Langley	9C	Aldergrove, Cloverdale, New- ton, New Westminster, Richmond and Vancouver	Parksville	4	Bowser
			Parson	2	
Lasqueti Island	2		Pemberton	2	
Lillooet	2		Pender Harbour	2	
Little Fort	2		Port Alberni	6	
Logan Lake	2		Port Alice	2	
Lytton	2		Port Clements	2	
McBride	2		Port Coquitlam	9A	New Westminster central office of New Westminster, Port Moody and Vancouver
Mackenzie	3				
McLeese Lake	2		Port Edward	5	Prince Rupert
McLeod Lake	2		Port Hardy	3	
Manning Park	2		Port McNeill	3	Alert Bay, Beaver Cove and Sointula
Masset	2		Port Mellon	4	Gibsons and Sechelt
Merritt	4				
Midway	2	Greenwood			
Miocene	2				
Mission	6	Abbotsford and Whonnock central office of Haney			
Moyie	2				





## EXCHANGES (Continued)

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Port Moody	9	New Westminster, North Vancouver, Port Coquitlam, Richmond, Vancouver and West Vancouver	Stewart	2	
Port Renfrew	2		Summit Lake	2	
Pouce Coupe	5	Dawson Creek	Tahsis	2	
Powell River	5	Vananda	Tasu	2	
Prince George	7		Telkwa	4	Smithers
Princeton	3		Terrace	5	
Queen Charlotte	2	Sandspit	Thrums	4	Castlegar, South Slokan and Vallican
Quesnel	5	Kersley	Tofino	2	Ucluelet
Radium	3	Invermere	Topley	2	
Red Rock	2		Trail	6	Fruitvale and Rossland
Richmond	9	Cloverdale, Ladner, Langley, Newton, New Westminster, North Vancouver, Port Moody, Vancouver and West Vancouver	Tweedsmuir	2	
Riondel	2		Ucluelet	2	Tofino
Rock Creek	2		Valemount	2	
Rossland	5	Trail	Vallican	2	South Slokan and Thrums
Saanich	8	Victoria	Vananda	5	Powell River
Salmo	2		Vancouver	9	Cloverdale, Ladner, Langley, Newton, New Westminster, North Vancouver, Port Coquitlam, Port Moody, Richmond and West Vancouver
Salmon Valley	2		Vanderhoof	3	
Sandspit	2	Queen Charlotte	Vavenby	2	
Savona	2		Victoria	8	Saanich and Sooke central office of Sooke
Sayward	2		Wells	2	
Sechelt	4	Gibsons and Port Mellon	West Vancouver	9	New Westminster central office of New Westminster, North Vancouver, Port Moody, Richmond and Vancouver
70 Mile House	2		Westwold	2	Falkland
Shalalth	2		Williams Lake	4	
Skookumchuck	2		Willow Flats	2	
Slokan	2		Woodfibre	2	
Smithers	4	Telkwa	Yahk	2	
Sointula	3	Alert Bay, Beaver Cove and Port McNeill	Yale	3	Hope
Sooke			Youbou	4	Lake Cowichan
Sooke	8A	Victoria			
Jordan River	3				
Sorrento	3	Celista and Chase			
South Slokan	2	Thrums and Vallican			
Sparwood	3				
Spences Bridge	2				
Spillimacheen	2				
Squamish	4				



## LONG DISTANCE RATES

Rates for long distance calls carried throughout North America are based on the class of call, time of day, duration of call and the airline distance between the calling and called points. If these factors are common then the same rate always applies to calls between the same points, regardless of the direction of the call. However, in certain cases, special surcharges and/or government taxes apply to calls in one direction but not to those in the other direction. The actual physical routing of long distance calls has no bearing on the rate charged to the customer.

Five long distance rate schedules plus overseas rate schedules apply to calls handled from British Columbia Telephone Company exchanges:

1. The British Columbia rate schedule applies to calls between points within British Columbia, except for calls involving centres along the Alaska Highway north of Fort St. John in which case (3) below applies.
2. The British Columbia - Alberta schedule applies to calls between points in British Columbia and Alberta.
3. The Northwest rate schedule applies to calls between centres served by B. C. Telephone Company, Okanagan Telephone Company





and Prince Rupert, and centres served by Canadian National Telecommunications in B. C. , Yukon and the District of Mackenzie, Northwest Territories.

4. The Trans-Canada rate schedule (Trans-Canada Telephone System) applies to calls between British Columbia points and other Canadian centres situated east of Alberta.
5. The Canada - United States rate schedule (American Telephone and Telegraph Company's Long Lines 2 rate schedule) applies on calls to the continental United States.

The Trans-Canada Telephone System which provides long distance message and other communications services coast to coast in Canada, is a combination of the eight principal telephone systems which furnish the bulk of the telephones operating in the ten provinces. Each telephone system assigns the facilities necessary to carry the nationwide messages through its particular territory.

Telephone calls destined to overseas countries are handled by circuits furnished by the Canadian Overseas Telecommunication Corporation, which interconnects with the Trans-Canada Telephone System at Vancouver and Montreal. In cases where COTC does not furnish service, certain countries may be reached via the American Telephone and Telegraph Company's connecting overseas carriers.



BRITISH COLUMBIA TELEPHONE COMPANY

CAPITALIZATION

DECEMBER 31, 1972

The Company was incorporated by Special Act of Parliament of Canada: Special Act 6-7 George V (1916) Chapter 66 as amended by 4-5 George VI (1940-1941) Chapter 36, and by 11 George VI (1947) Chapter 86, and by 15 George VI (1951) Chapter 85, and by 6 Elizabeth II (1957-1958) Chapter 40, and by 8-9 Elizabeth II (1960) Chapter 66.

Authorized capital	<u>\$250,000,000</u>
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Directors authorized by shareholders, Annual Meeting March 4, 1965, to issue capital, subject to approval of Board of Transport Commissioners, up to	\$250,000,000
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Issued and outstanding:

Preference and		
Preferred shares	\$103,500,000	
Ordinary Shares	<u>80,915,625</u>	<u>184,415,625</u>

Balance available for issue	<u>\$ 65,584,375</u>
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BRITISH COLUMBIA TELEPHONE COMPANY

CAPITAL STRUCTURE

AS AT DECEMBER 31, 1972

Ordinary shares (3,236,625 at \$25.00)	\$ 80,915,625	12.0%
Premium on Ordinary shares	<u>53,705,760</u>	<u>7.9</u>
	134,621,385	19.9
Earnings retained	<u>58,810,482</u>	<u>8.8</u>
	193,431,867	28.7
Preference and Preferred shares	103,500,000	15.3
Minority interest in subsidiary	<u>455,362</u>	<u>.1</u>
Total Share Capital	297,387,229	44.1
Long term debt	<u>377,528,875</u>	<u>55.9</u>
Total Capital	<u>\$ 674,916,104</u>	<u>100.0%</u>





BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS AND CAPITAL STOCK OUTSTANDING

DECEMBER 31, 1972

FIRST MORTGAGE BONDS

4 3/4% Series E due October 1, 1975	\$ 7,000,000
5 % Series F due April 1, 1982	25,000,000
5 1/4% Series G due November 1, 1983	20,000,000
6 % Series H due September 15, 1984	15,000,000
5 3/4% Series I due August 1, 1985	15,000,000
5 3/4% Series J due July 15, 1986	20,000,000
5 5/8% Series K due April 15, 1988	20,000,000
6 3/4% Series L due October 15, 1989	30,000,000
6 3/8% Series M due March 15, 1991	30,000,000
9 1/8% Series N due April 1, 1990 (1)	30,000,000
9 5/8% Series O due November 15, 1992	18,000,000
9 1/8% Series P due November 15, 1992 (2)	12,000,000
8 1/4% Series Q due March 1, 1994	35,000,000
7 1/2% Series R due November 15, 1978	10,000,000
7 7/8% Series S due November 15, 1995	25,000,000
8 5/8% Series T due October 15, 1993	40,000,000
8 1/8% Series U due November 1, 1996 ( \$20 million U.S. funds)	19,809,378
	<u>371,809,375</u>

Okanagan Telephone Company General Mortgage Sinking

Fund Bonds due 1975 to 1986 at interest rates of 5% to 6 1/2%

5,719,500

\$ 377,528,875

(1) With right of prepayment at holder's option; April 15, 1975

(2) With right of prepayment at holder's option; November 15, 1976

CAPITAL STOCK

Preference and preferred shares outstanding:

6 % Cumulative preference shares of par value of \$100 each	10,000 shares	\$ 1,000,000
6 % Cumulative preferred shares of par value of \$100 each	45,000 shares	4,500,000
4 3/4% Cumulative redeemable preferred shares of par value of \$100 each	75,000 shares	7,500,000
4 3/4% Cumulative redeemable preferred shares of par value of \$100 each (Series 1956)	75,000 shares	7,500,000
4 1/2% Cumulative redeemable preferred shares of par value of \$100 each	50,000 shares	5,000,000
4 3/8% Cumulative redeemable preferred shares of par value of \$100 each	60,000 shares	6,000,000
5 3/4% Cumulative redeemable preferred shares of par value of \$100 each	100,000 shares	10,000,000
5.15% Cumulative redeemable preferred shares of par value of \$100 each	120,000 shares	12,000,000
4.84% Cumulative redeemable preferred shares of par value of \$25 each	800,000 shares	20,000,000
6.80% Cumulative redeemable preferred shares of par value of \$25 each	400,000 shares	10,000,000
7.04% Cumulative redeemable preferred shares of par value of \$25 each	800,000 shares	<u>20,000,000</u>
		\$ 103,500,000

Ordinary shares outstanding of par value of \$25  
each

3,236,625 shares

80,915,625

\$ 184,415,625  
\$ 561,944,500



BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS

SUMMARY OF MATURITIES

<u>Series</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Annual Interest</u>
E	4 3/4%	October 1, 1975	\$ 7,000,000	\$ 332,500
F	5 %	April 1, 1982	25,000,000	1,250,000
G	5 1/4%	November 1, 1983	20,000,000	1,050,000
H	6 %	September 15, 1984	15,000,000	900,000
I	5 3/4%	August 1, 1985	15,000,000	862,500
J	5 3/4%	July 15, 1986	20,000,000	1,150,000
K	5 5/8%	April 15, 1988	20,000,000	1,125,000
L	6 3/4%	October 15, 1989	30,000,000	2,025,000
M	6 3/8%	March 15, 1991	30,000,000	1,912,500
N	9 1/8%	April 1, 1990	30,000,000	2,737,500
O	9 5/8%	November 15, 1992	18,000,000	1,732,500
P	9 1/8%	November 15, 1992	12,000,000	1,095,000
Q	8 1/4%	March 1, 1994	35,000,000	2,887,500
R	7 1/2%	November 15, 1978	10,000,000	750,000
S	7 7/8%	November 15, 1995	25,000,000	1,968,750
T	8 5/8%	October 15, 1993	40,000,000	3,450,000
U (1)	8 1/8%	November 1, 1996	19,809,375	1,609,512
Average	7.22%		\$ 371,809,375	\$26,838,262
Okanagan Telephone Company B-H incl.	5%-6 1/2%		5,719,500	345,960
Average	7.20%		\$ 377,528,875	\$27,184,222

(1) \$20,000,000 issue in U.S. funds.

December 31, 1972





BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE ISSUES

<u>Date of Issue</u>	<u>Par Value</u>	<u>"Rights"</u>	<u>Number Issued</u>	<u>Issue Price</u>	<u>Proceeds (1)</u>	<u>Total Shares Outstanding</u>
May 1927	\$ 100					45,000
June 1948	100	1 for 3	15,000	\$125.00	\$ 1,875,000	60,000
Nov. 1950	100	Underwriters	20,000	132.50	2,650,000	80,000
Apr. 1951	100	1 for 2	40,000	132.50	5,300,000	120,000
July 1951	Par value changed from \$100 to \$25. Shares exchanged 4 for 1					480,000
Apr. 1953	25	1 for 3	160,000	29.00	4,640,000	640,000
Apr. 1954	25	1 for 4	160,000	31.50	5,040,000	800,000
Jan. 1956	25	1 for 4	200,000	40.50	8,100,000	1,000,000
Sept. 1956	25	1 for 5	200,000	38.00	7,609,604	1,200,000
Jan. 1959	25	1 for 4	300,000	34.00	10,214,679	1,500,000
Aug. 1960	25	(2)	144,000	40.62	5,850,000	1,644,000
Mar. 1961	25	1 for 6	274,000	38.00	10,421,765	1,918,000
Aug. 1962	25	1 for 5	383,600	38.00	14,587,936	2,301,600
Sept. 1965	25	1 for 8	287,700	57.00	16,415,156	2,589,300
Feb. 1969	25	1 for 9	287,700	60.00	17,269,109	2,877,000
Sept. 1971	25	1 for 8	359,625	56.00	20,148,136	3,236,625

- (1) In some cases the proceeds are greater than the issue price times the number of shares issued. This is the result of selling the few shares not taken up by "rights" at a higher price.
- (2) Issued in exchange for all of the outstanding ordinary shares of North-west Telephone Company.

December 31, 1972



BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARES - MARKET PRICE

Shares listed for trading:

Vancouver Stock Exchange	November 19, 1951
Montreal Stock Exchange	November 20, 1951
Toronto Stock Exchange	August 9, 1954

<u>Year</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1951	34-1/4	33-1/8	
1952	35	32	33-1/2
1953	36-1/2	32-1/2	35-7/8
1954	45	35-1/4	44-1/2
1955	50-1/8	43-1/2	50
1956	52	43	46
1957	47	37-1/4	38-1/8
1958	44-3/8	39-3/4	43
1959	47-3/8	39-1/2	42-1/2
1960	47-1/8	42	47-1/8
1961	52-1/2	45	50-7/8
1962	56-3/8	45	51
1963	57-3/4	52	57-1/2
1964	68	54-1/2	66
1965	72	63-1/2	66-1/2
1966	77-1/4	53	62-1/2
1967	69-7/8	53-1/8	53-1/8
1968	71	52-1/2	69
1969	75	62-1/4	72
1970	72	55	64
1971	69-1/2	57-3/8	65
1972	67-1/2	54	56-1/2

December 31, 1972



BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE EARNINGS

<u>Year</u>	<u>Earnings Available for Ordinary Shares(2)</u>	<u>Average Number of Ordinary Shares Outstanding (1)</u>	<u>Earnings per Average Ordinary Share (2)</u>
1945	\$ 259,003	180,000	\$ 1.44
1946	386,544	180,000	2.15
1947	388,708	180,000	2.16
1948	387,872	210,000	1.85
1949	82,143	240,000	.34
1950	479,137	260,000	1.84
1951	844,108	440,000	1.92
1952	1,027,794	480,000	2.14
1953	1,818,463	600,000	3.03
1954	2,169,309	760,000	2.85
1955	2,627,068	800,000	3.28
1956	3,345,814	1,050,000	3.27
1957	3,145,108	1,200,000	2.62
1958	2,068,071	1,200,000	1.72
1959	4,567,300	1,500,000	3.04
1960	4,578,147	1,572,000	2.91
1961	5,937,903	1,849,500	3.21
1962	6,628,186	2,013,900	3.29
1963	7,609,738	2,301,600	3.31
1964	8,455,655	2,301,600	3.67
1965	9,880,115	2,373,525	4.16
1966	11,144,318	2,589,300	4.30
1967	11,617,610	2,589,300	4.49
(3) 1968	12,613,750	2,589,300	4.87
1969	14,464,479	2,805,075	5.16
1970	14,418,485	2,877,000	5.01
1971	15,818,315	2,966,906	5.33
1972	19,761,668	3,236,625	6.11

(1) Years 1945 - 1950 adjusted for stock split of 4 for 1 in 1951.

(2) The Earnings of Okanagan Telephone Company have been included commencing 1967.

(3) Earnings for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.





BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE DIVIDENDS DECLARED

<u>Year</u>	<u>Ordinary Dividend Per Share (1)</u>	<u>Total Ordinary Dividends</u>
1945	\$2.00	\$ 360,000
1946	2.00	360,000
1947	2.00	360,000
1948	2.00	420,000
1949	2.00	480,000
1950	2.00	520,000
1951	2.00	880,000
1952	2.00	960,000
1953	2.00	1,200,000
1954	2.00	1,520,000
1955	2.00	1,600,000
1956	2.00	2,100,000
1957	2.00	2,400,000
1958	2.00	2,400,000
1959	2.05	3,075,000
1960	2.20	3,458,400
1961	2.20	4,068,900
1962	2.20	4,430,580
1963	2.30	5,293,680
1964	2.40	5,523,840
1965	2.40	5,696,460
1966	2.40	6,214,320
1967	2.55	6,602,715
1968	2.70	6,991,110
1969	3.00	8,415,225
1970	3.05	8,774,850
1971	3.20	9,494,100
1972	3.20	10,357,200

(1) Years 1945-1950 adjusted for stock split of 4 for 1 in 1951.



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS REVENUES

(Uncollectible deducted from Miscellaneous)

<u>Year</u>	<u>Local Service</u>	<u>Toll Service</u>	<u>Miscellaneous</u>	<u>Total</u>
1945	\$	\$	\$	\$ 8,723,801
1946				9,628,300
1947				10,960,576
1948				12,072,422
1949	9,068,486	3,899,400	537,225	13,505,111
1950	10,735,641	4,566,039	705,398	16,007,078
1951	13,137,842	5,672,370	743,092	19,553,304
1952	15,270,490	6,597,826	805,737	22,674,053
1953	18,034,945	7,726,253	983,016	26,744,214
1954	19,598,472	8,854,805	1,138,829	29,592,106
1955	21,249,905	10,363,764	1,371,695	32,985,364
1956	23,505,410	12,009,504	1,653,043	37,167,957
1957	25,789,123	13,560,965	1,973,241	41,323,329
1958	28,098,477	14,678,462	2,099,654	44,876,593
1959	35,152,890	17,322,785	2,391,507	54,867,182
1960	37,217,693	18,970,192	2,654,829	58,842,714
1961	40,826,116	23,685,017	2,860,909	67,372,042
* 1962	43,578,500	26,524,167	1,532,540	71,635,207
1963	45,821,729	29,674,041	1,895,759	77,391,529
1964	49,291,594	35,987,120	2,195,918	87,474,632
1965	53,906,008	43,561,067	2,233,438	99,700,513
1966	59,278,966	50,746,437	2,501,360	112,526,763
** 1967	67,410,124	56,552,044	2,865,748	126,827,916
1968	72,640,898	63,391,164	3,357,287	139,389,349
1969	78,362,989	74,968,593	4,712,199	158,043,781
1970	85,447,867	84,906,382	4,516,042	174,870,291
1971	93,444,149	100,044,418	6,403,491	199,892,058
1972	106,289,369	114,741,633	6,733,670	227,764,672

\* Commencing in 1962 the cost of publishing the directory is offset against the advertising revenues generated by the directory.

\*\* The Earnings of Okanagan Telephone Company have been included commencing in 1967.



BRITISH COLUMBIA TELEPHONE COMPANY

REVENUE SOURCE BY PERCENTAGE

<u>Year</u>	<u>Local Service</u>	<u>Toll Service</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Regulated</u>	<u>Non- Regulated</u>
1945	%	%	%	%	%	%
1946						
1947						
1948						
1949	67	29	4	100		
1950	65	31	4	100	95	5
1951	67	29	4	100	95	5
1952	67	29	4	100	95	5
1953	67	29	4	100	95	5
1954	66	30	4	100	94	6
1955	65	31	4	100	94	6
1956	63	32	5	100	93	7
1957	62	33	5	100	92	8
1958	63	32	5	100	91	9
1959	64	32	4	100	92	8
1960	63	32	5	100	91	9
1961	61	35	4	100	90	10
1962	61	37	2	100	90	10
1963	59	38	3	100	88	12
1964	56	41	3	100	88	12
1965	54	44	2	100	88	12
1966	53	45	2	100	88	12
1967	53	45	2	100	88	12
1968	52	46	2	100	88	12
1969	50	47	3	100	88	12
* 1970	49	48	3	100	90	10
1971	47	50	3	100	94	6
1972	47	50	3	100	94	6

\* Effective August 1, 1970, an amendment to the Railway Act extended the regulatory jurisdiction of the Canadian Transport Commission to include all communications services provided by the Company.





BRITISH COLUMBIA TELEPHONE COMPANY

TOTAL OPERATING EXPENSES

<u>Year</u>	<u>Operating</u>	<u>Depreciation</u>	<u>Taxes</u>	<u>Total</u>
1945	\$4,949,857	\$1,304,669	\$ 1,144,296	\$ 7,398,822
1946	5,752,942	1,329,462	1,022,229	8,104,633
1947	7,114,357	1,474,765	811,955	9,401,077
1948	7,874,320	1,648,442	752,490	10,275,252
1949	9,190,221	1,878,684	820,572	11,889,477
1950	10,550,051	2,103,690	1,183,882	13,837,623
1951	12,418,897	2,402,741	2,081,125	16,902,763
1952	14,488,676	2,698,423	2,458,645	19,645,744
1953	16,495,824	3,106,390	3,133,741	22,735,955
1954	17,966,704	3,680,530	3,480,986	25,128,220
1955	18,964,703	4,240,371	4,415,029	27,620,103
1956	20,899,259	4,924,403	4,952,409	30,776,071
1957	24,130,377	5,690,918	4,717,924	34,539,219
1958	26,718,975	7,099,564	4,150,627	37,969,166
1959	27,598,491	8,678,074	7,511,759	43,788,324
1960	27,915,978	9,669,597	8,646,520	46,232,095
1961	29,739,149	11,633,769	10,595,041	51,967,959
(1) 1962	31,930,849	13,926,474	11,007,277	56,864,600
1963	31,296,856	15,648,843	12,626,051	59,571,750
1964	35,715,544	18,534,784	13,499,062	67,749,390
1965	40,593,517	21,345,168	15,731,012	77,669,697
1966	48,559,759	22,944,866	17,295,826	88,800,451
(2) 1967	54,412,416	26,450,184	18,352,306	99,214,806
(3) 1968	59,165,615	28,831,934	21,576,845	109,574,394
1969	68,630,326	32,719,544	24,225,316	125,575,186
1970	81,579,708	34,338,351	23,967,321	139,885,380
1971	95,808,595	38,454,431	24,555,914	158,818,940
1972	108,007,496	43,326,864	28,970,862	180,305,222

(1) Commencing in 1962 the cost of publishing the directories is offset against the advertising revenues generated by the directories.

(2) The Expenses of Okanagan Telephone Company have been included commencing in 1967.

(3) Operating Expenses and Taxes for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.



# BRITISH COLUMBIA TELEPHONE COMPANY

## ANALYSIS OF TAXES

Year	Provincial, Municipal and Other (1)	Taxes on Income			Total Taxes
		Federal	Provincial Share	Total	
	\$	\$	\$	\$	\$
1945					1,144,296
1946					1,022,229
1947					811,955
1948					752,490
1949	320,456	500,116	-	500,116	820,572
1950	368,399	815,483	-	815,483	1,183,882
1951	418,089	1,663,036	-	1,663,036	2,081,125
1952	480,272	1,978,373	-	1,978,373	2,458,645
1953	587,445	2,546,296	-	2,546,296	3,133,741
1954	721,081	2,759,905	-	2,759,905	3,480,986
1955	779,669	3,635,360	-	3,635,360	4,415,029
1956	823,288	4,129,121	-	4,129,121	4,952,409
1957	1,084,871	3,633,053	-	3,633,053	4,717,924
1958	1,292,851	2,857,776	-	2,857,776	4,150,627
1959	1,492,625	6,019,134	-	6,019,134	7,511,759
1960	1,988,057	6,658,463	-	6,658,463	8,646,520
1961	2,326,740	8,268,301	-	8,268,301	10,595,041
1962	2,324,557	8,682,720	-	8,682,720	11,007,277
1963	2,568,140	8,245,660	1,601,250	10,057,911	12,626,051
1964	2,834,955	8,742,741	1,921,366	10,664,107	13,499,062
1965	3,217,764	10,261,079	2,252,169	12,513,248	15,731,012
1966	3,934,403	10,956,367	2,405,056	13,361,423	17,295,826
(2) 1967	4,862,896	10,791,528	2,697,882	13,489,410	18,352,306
(3) 1968	5,595,590	12,872,661	3,108,594	15,981,255	21,576,845
1969	6,297,607	14,440,501	3,487,208	17,927,709	24,225,316
1970	6,995,909	13,670,218	3,301,194	16,971,412	23,967,321
1971	7,683,781	13,431,703	3,440,430	16,872,133	24,555,914
1972	8,848,794	15,794,741	4,327,326	20,122,067	28,970,861

(1) Unemployment Insurance and Canada Pension Plan.

(2) The taxes of Okanagan Telephone Company have been included commencing in 1967.

(3) Taxes on Income for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.



BRITISH COLUMBIA TELEPHONE COMPANY

DISPOSITION OF EARNINGS AVAILABLE FOR FIXED CHARGES

Year	Earnings Available for Fixed Charges	Fixed Charges	Earnings Available for Dividends	Dividends on Preference and Preferred Shares	Earnings Available for Ordinary Shares	Dividends on Ordinary Shares	Transferred to Retained Earnings
1945	\$ 1,354,309	\$ 665,306	\$ 689,003	\$ 330,000	\$ 359,003	\$ 360,000	\$ (997)
1946	1,554,703	813,158	741,545	330,000	411,545	360,000	51,545
1947	1,586,437	842,729	743,708	330,000	413,708	360,000	53,708
1948	1,833,645	1,089,575	794,070	406,198	387,872	420,000	(32,128)
1949	1,727,134	1,148,741	578,393	496,250	82,143	480,000	(397,857)
1950	2,276,125	1,285,106	991,019	511,882	479,137	520,000	(40,863)
1951	2,794,290	1,282,472	1,511,818	667,711	844,107	880,000	(35,893)
1952	3,187,771	1,473,727	1,714,044	686,250	1,027,794	960,000	67,794
1953	4,261,785	1,719,728	2,542,057	723,594	1,818,463	1,200,000	618,463
1954	4,898,531	1,986,722	2,911,809	742,500	2,169,309	1,520,000	649,309
1955	5,714,722	1,979,528	3,735,194	1,108,125	2,627,069	1,600,000	1,027,069
1956	6,776,042	1,973,509	4,802,533	1,366,718	3,435,815	2,100,000	1,335,815
1957	7,639,690	2,916,665	4,723,025	1,577,917	3,145,108	2,400,000	745,108
1958	8,081,577	3,908,506	4,173,071	2,105,000	2,068,071	2,400,000	(331,929)
1959	11,644,046	4,971,746	6,672,300	2,105,000	4,567,300	3,075,000	1,492,300
1960	13,167,637	5,921,990	7,245,647	2,667,500	4,578,147	3,458,400	1,119,747
1961	15,781,068	6,988,165	8,792,903	2,855,000	5,937,903	4,068,900	1,869,003
1962	16,865,287	7,382,101	9,483,186	2,855,000	6,628,186	4,430,580	2,197,606
1963	18,250,436	7,322,198	10,928,238	3,318,500	7,609,738	5,293,680	2,316,058
1964	19,954,964	8,026,309	11,928,655	3,473,000	8,455,655	5,523,840	2,931,815
1965	22,135,487	8,431,372	13,704,115	3,824,000	9,880,115	5,696,460	4,183,655
1966	24,185,026	9,349,708	14,835,318	3,691,000	11,144,318	6,244,320	4,929,998
(1) 1967	28,534,854	13,200,820	15,334,034	3,716,424	11,617,610	6,602,715	5,014,895
(2) 1968	30,767,089	13,974,764	16,792,317	4,178,567	12,673,750	6,991,110	5,622,640
1969	33,595,397	14,739,487	18,855,910	4,391,431	14,464,479	8,415,225	6,049,254
1970	36,497,271	17,687,659	18,809,612	4,391,127	14,418,485	8,774,850	5,643,635
1971	42,496,580	22,287,778	20,208,802	4,390,487	15,818,315	9,494,100	6,324,215
1972	49,615,312	24,755,941	24,859,371	5,097,703	19,761,668	10,357,200	9,404,468

(1) The Earnings of Okanagan Telephone Company have been included commencing in 1967.

(2) Earnings for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.





BRITISH COLUMBIA TELEPHONE COMPANY

RATE OF RETURN ON AVERAGE INVESTED CAPITAL

<u>Year</u>	<u>Average Invested Capital(1)</u>	<u>Earnings Available For Fixed Charges</u>	<u>Rate of Return on Average Invested Capital</u>
1945	\$ 25,178,280	\$ 1,354,309	5.38%
1946	26,703,553	1,554,703	5.82
1947	32,656,179	1,586,437	4.86
1948	40,247,330	1,883,645	4.68
1949	44,648,700	1,727,134	3.87
1950	48,733,295	2,276,126	4.67
1951	55,561,494	2,794,290	5.03
1952	64,064,560	3,187,771	4.98
1953	72,728,599	4,261,785	5.86
1954	84,425,631	4,898,531	5.80
1955	94,019,152	5,714,722	6.08
1956	109,157,402	6,776,042	6.21
1957	139,365,821	7,639,690	5.48
1958	168,319,561	8,081,577	4.80
1959	196,259,172	11,644,046	5.93
1960	225,828,354	13,167,637	5.83
1961	259,230,493	15,781,068	6.09
1962	275,191,889	16,865,287	6.13
1963	294,672,539	18,250,436	6.19
1964	313,217,149	19,954,964	6.37
1965	333,938,536	22,135,487	6.63
1966	365,735,694	24,185,026	6.61
(2) 1967	430,218,641	28,534,854	6.63
(3) 1968	450,985,656	30,767,081	6.82
1969	478,444,009	33,595,397	7.02
1970	522,045,729	36,497,271	6.99
1971	577,455,458	42,496,580	7.36
1972	634,417,005	49,615,312	7.82

(1) Average invested capital includes capital stock, premium, retained earnings, long term debt and demand loans, The average is computed as the average of 12 monthly averages, using beginning and end of month figures. 1945-1949 are year-end averages.

(2) The Earnings of Okanagan Telephone Company have been included commencing in 1967.

(3) Rate of Return for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS ADDITIONS TO PLANT

<u>Year</u>	<u>Gross Additions to Plant</u>
1945	\$ 2,252,498
1946	4,916,620
1947	5,521,790
1948	7,285,222
1949	7,884,518
1950	7,368,139
1951	9,391,493
1952	11,349,578
1953	15,550,398
1954	18,996,082
1955	21,254,856
1956	27,693,592
1957	40,818,023
1958	51,748,654
1959	40,947,467
1960	35,631,704
1961	30,801,282
1962	37,545,012
1963	35,891,660
1964	39,272,387
1965	47,983,765
1966	60,681,708
* 1967	68,430,995
1968	70,802,171
1969	74,666,431
1970	95,111,177
1971	113,106,126
1972	132,405,478

\* The Gross Additions of Okanagan Telephone Company have been included commencing in 1967.



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS TELEPHONE PLANT

<u>December 31</u>	<u>Gross Telephone Plant</u>
1945	\$ 35,189,463
1946	39,065,540
1947	43,450,670
1948	49,392,762
1949	55,206,282
1950	61,290,387
1951	68,562,792
1952	77,452,395
1953	89,717,329
1954	104,494,433
1955	120,330,786
1956	141,657,107
1957	176,758,724
1958	217,951,682
1959	243,690,783
1960	265,129,882
1961	308,366,305
1962	335,865,487
1963	362,955,276
1964	393,360,679
1965	429,966,904
1966	480,762,018
(1) 1967	559,922,422
(2) 1968	619,528,106
1969	682,394,453
1970	760,338,402
1971	854,645,308
1972	961,490,386

- (1) The Gross Telephone Plant of Okanagan Telephone Company has been included commencing in 1967.
- (2) Gross Telephone Plant in the years 1968 - 1971 has been restated to reflect the capitalized portion of accrued vacation pay of employees, resulting from a change in accounting policy.





BRITISH COLUMBIA TELEPHONE COMPANY

GROSS INVESTMENT PER TELEPHONE  
(Year-end)

<u>Year</u>	<u>Gross Investment per Telephone</u> <u>(Year-end)</u>
1945	\$ 216
1946	223
1947	224
1948	237
1949	244
1950	249
1951	260
1952	272
1953	289
1954	304
1955	324
1956	344
1957	391
1958	453
1959	482
1960	507
1961	543
1962	565
1963	581
1964	595
1965	606
1966	632
1967	654
1968	678
1969	700
1970	733
1971	777
1972	815

- (1) The Gross Investment and telephones of Okanagan Telephone Company have been included commencing in 1967.
- (2) The Gross Investment in the years 1968 - 1971 has been restated to reflect the capitalized portion of accrued vacation pay of employees, resulting from a change in accounting policy.



BRITISH COLUMBIA TELEPHONE COMPANY

EMPLOYEE SUMMARY

<u>Year</u>	<u>Number of Employees at December 31</u>	<u>Total Annual Payroll</u>	<u>Average Annual Payroll Per Employee</u>
1945	2,846	\$ 4,189,413	\$1,505
1946	3,385	5,132,338	1,647
1947	3,588	6,058,670	1,738
1948	3,856	7,253,358	1,949
1949	4,077	8,046,080	2,028
1950	4,526	9,149,857	2,127
1951	4,990	11,145,013	2,342
1952	5,424	13,121,789	2,520
1953	5,861	14,956,712	2,651
1954	5,845	16,261,907	2,778
1955	5,645	16,762,405	2,918
1956	6,080	18,369,471	3,133
1957	7,130	21,525,011	3,259
1958	6,878	24,742,215	3,533
1959	6,205	25,219,406	3,855
1960	5,646	24,842,661	4,192
1961	5,511	25,828,367	4,630
1962	5,330	27,011,666	4,983
1963	5,423	27,875,720	5,184
1964	5,696	30,785,133	5,537
1965	6,337	35,568,260	5,911
1966	7,243	42,004,499	6,186
1967	7,182	46,152,298	6,398
1968	7,559	50,960,249	6,914
1969	8,405	57,773,505	7,238
1970	9,146	70,705,263	8,057
1971	9,753	84,498,708	8,942
1972	10,258	98,045,495	9,799



BRITISH COLUMBIA TELEPHONE COMPANY

1972 EMPLOYEE SUMMARY - BY DIVISION

<u>Division</u>	No. of Employees as at <u>December 31, 1972</u>	<u>Payroll 1972</u>
Coastal Division	4,379	\$40,775,952
Division Traffic	1,483	9,297,596
Division Customer Service (including Customer Service Plant)	1,630	16,608,215
Division Plant and Construction	966	11,442,273
Division Engineering and Administration	300	3,427,868
Island Division	1,403	13,684,201
Division Traffic	383	2,451,571
Division Customer Service (including Customer Service Plant)	464	4,757,399
Division Plant and Construction	414	4,620,590
Division Engineering, Administration, and Public Affairs	142	1,854,641
Interior Division	1,032	9,990,634
Division Traffic	310	1,990,488
Division Customer Service	287	3,015,038
Division Plant and Construction	305	3,527,898
Administration, Engineering, Public Affairs and Program Center	130	1,457,210
Northern Division	949	8,860,503
Prince George District	415	3,459,499
Terrace District	191	1,806,057
Peace River District	159	1,426,278
Administration, Engineering, Construction, Public Affairs and Vehicle	184	2,168,669
Staff Departments (Note 1)	2,495	24,734,205
Total Company	10,258	\$98,045,495

Note 1: Includes Supply, Transportation and Buildings Operations.





BRITISH COLUMBIA TELEPHONE COMPANY

SERVICE AREA

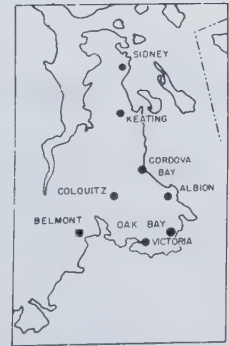
The British Columbia Telephone Company provides telephone and other communication services to almost the entire province of British Columbia.

The exceptions are a portion of the Okanagan Valley\* in the south-central Interior (shown in outline on the following map), the City of Prince Rupert, and some locations along the Alaska Highway.

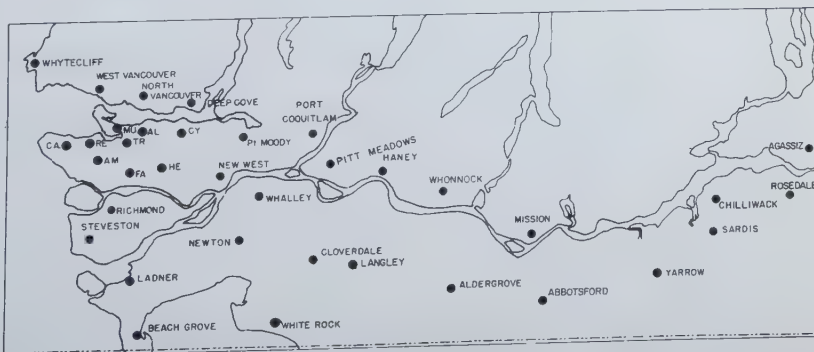
The Company serves approximately 96 percent of the area of the province and about 94 percent of the province's population. It operates almost 94 percent of all telephones in British Columbia.

\* In December, 1966, B. C. Telephone Company acquired a majority interest in the Okanagan Telephone Company.





SAANICH PEN.



GREATER VANCOUVER AND FRASER VALLEY

LEGEND

● EXISTING C.O

●\* THEORETICAL C.O

(M) MAGNETO OFFICE

●\*\* B C TEL INSTRUMENTS SERVED  
THROUGH O K TEL Co CO

H Q H - E 1019 - A ORIG



OKANAGAN TELEPHONE COMPANY

Okanagan Telephone Company, incorporated on April 25, 1907, serves a fast-growing area from Mica Creek in the north to Penticton and Okanagan Falls in the south. This encompasses the whole of the famed fruit-growing Okanagan Valley in south-central British Columbia.

The company has 21 central offices in 16 exchanges including such communities as Vernon, Salmon Arm, Revelstoke, Kelowna and Summerland.

The largest telephone exchange is Kelowna with 24,242 installations, followed by Vernon and Penticton. Smallest exchange is Oyama with 337 telephones.

During 1972, the Okanagan Telephone Company carried out a \$7,893,000 construction program and by the end of the year had 66,775 telephones connected, an increase of 6,233 in the 12-month period.

The company initiated automatic service in 1951 at Oyama and Winfield, and completed the program of converting its entire system to dial in 1959. Direct Distance Dialing came to the area in 1960 when





OKANAGAN TELEPHONE COMPANY (cont'd)

automatic toll ticketing equipment was installed at Penticton, Kelowna, Vernon and Salmon Arm to permit station-to-station long distance calls to be customer dialed.

Okanagan Telephone Company employees numbered 558 at the end of 1972.



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONES IN SERVICE

<u>Year</u>	<u>Total Telephones in Service at December 31</u>	<u>Percentage Increase</u>	<u>Percentage of Total Telephones Under Dial Operation</u>	<u>Percentage of Total Telephones with Direct Distance Dialing Facilities</u>
1945	163,135	3.4%	36.3%	%
1946	174,838	7.2	36.3	
1947	193,736	10.8	37.9	
1948	208,437	7.6	38.0	
1949	226,431	8.6	43.4	
1950	246,486	8.9	42.6	
1951	263,374	6.9	42.3	
1952	284,947	8.2	42.7	
1953	310,690	9.0	42.9	
1954	343,441	10.5	50.1	
1955	371,042	8.0	55.6	
1956	412,135	11.0	64.0	
1957	452,157	9.7	67.1	
1958	480,707	6.3	71.4	
1959	505,432	5.1	79.4	
1960	522,780	3.4	87.4	
1961	568,022	8.7	90.4	54.1
1962	594,292	4.6	96.9	67.3
1963	625,103	5.2	97.7	68.4
1964	661,708	5.5	98.3	70.1
1965	709,564	7.2	98.6	72.7
1966	761,129	7.3	98.7	72.2
1967	813,063	6.8	99.0	74.8
1968	867,880	6.7	99.6	87.5
1969	924,122	6.5	99.7	88.7
1970	982,503	6.3	99.7	91.6
1971	1,039,249	5.8	99.7	91.2
1972	1,113,563	7.2	99.7	92.0



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONES IN SERVICE (CONT'D)

<u>December 31</u>	<u>Total Stations</u>	<u>Business</u>		<u>Residence</u>	
		<u>Stations</u>	<u>%</u>	<u>Stations</u>	<u>%</u>
1945	163,135	52,401	32.1	110,734	67.9
1946	174,838	59,057	33.8	115,781	66.2
1947	193,736	65,436	33.8	128,300	66.2
1948	208,437	71,075	34.1	137,362	65.9
1949	226,431	75,665	33.4	150,766	66.6
1950	246,486	80,299	32.6	166,187	67.4
1951	263,374	84,739	32.2	178,635	67.8
1952	284,947	89,703	31.5	195,244	68.5
1953	310,690	96,136	30.9	214,554	69.1
1954	343,441	104,923	30.6	238,518	69.4
1955	371,042	112,731	30.4	258,311	69.6
1956	412,135	123,131	29.9	289,004	70.1
1957	452,157	132,813	29.4	319,334	70.6
1958	480,707	138,666	28.8	342,041	71.2
1959	505,432	145,101	28.7	360,331	71.3
1960	522,780	148,657	28.4	374,123	71.6
1961	568,022	162,566	28.6	405,456	71.4
1962	594,292	168,095	28.3	426,197	71.7
1963	625,103	175,510	28.1	449,593	71.9
1964	661,708	186,476	28.2	475,232	71.8
1965	709,564	199,878	28.2	509,686	71.8
1966	761,129	214,795	28.2	546,334	71.8
1967	813,063	229,805	28.3	583,258	71.7
1968	867,880	244,677	28.2	623,203	71.8
1969	924,122	264,280	28.6	659,842	71.4
1970	982,503	281,829	28.7	700,674	71.3
1971	1,039,249	297,689	28.6	741,560	71.4
1972	1,113,563	318,033	28.6	795,530	71.4





BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE DEVELOPMENT SUMMARY

<u>Year</u>	<u>Telephones per 100 Population</u>	
	<u>British Columbia Telephone Company</u>	<u>Canada</u>
1945	22.3	15.2
1946	22.8	16.3
1947	24.4	17.5
1948	25.4	18.6
1949	25.9	19.8
1950	27.4	21.0
1951	28.1	21.8
1952	29.4	22.8
1953	30.1	23.9
1954	31.6	24.8
1955	32.7	26.1
1956	34.4	27.5
1957	35.7	28.6
1958	36.6	29.6
1959	37.4	30.9
1960	37.9	31.7
1961	36.7	32.6
1962	37.7	33.7
1963	38.8	34.8
1964	40.0	36.0
1965	41.0	37.5
1966	42.2	39.0
1967	43.6	40.5
1968	45.4	42.1
1969	46.6	43.7
1970	48.2	45.2
1971	49.7	46.8
1972	51.5	50.0



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE TRAFFIC VOLUME

<u>Year</u>	<u>Local Calls Daily Average</u>	<u>Toll Calls Completed Daily Average</u>
1945	923,300	12,000
1946	1,045,600	13,000
1947	1,130,300	15,000
1948	1,215,000	16,000
1949	1,332,000	19,000
1950	1,336,000	19,500
1951	1,411,000	22,000
1952	1,498,000	23,600
1953	1,580,000	25,000
1954	1,789,000	30,000
1955	1,905,000	35,000
1956	2,436,000	40,000
1957	2,701,000	45,000
1958	2,929,000	47,000
1959	3,130,000	48,000
1960	3,247,000	51,000
1961	3,565,000	57,000
1962	3,374,000	58,000
1963	3,647,000	59,000
1964	3,981,000	66,000
1965	4,391,000	76,000
1966	4,834,000	85,000
1967	5,286,000	94,000
1968	5,557,000	104,000
1969	6,054,000	122,000
1970	6,281,000	137,000
1971	7,085,000	155,000
1972	7,282,000	164,000



## BRITISH COLUMBIA TELEPHONE COMPANY

### RADIO DEVELOPMENT

The mountainous terrain of British Columbia presents many obstacles to construction of land line telephone transmission facilities. This fact has contributed to B. C. Tel's leadership in development of radio facilities to provide telephone circuits throughout the province.

The first radio link was installed in 1929 between Campbell River and Powell River, a distance of 40 miles. But it was not until the late 1940's that radio relay began to overshadow land lines. In late 1957, the TD-2 Trans Canada radio system was put into operation, eventually replacing the existing J Carrier open wire circuits. Today there are more than 6546.7 miles of toll radio relay systems with an average traffic capacity of 226 voice circuits in the B. C. Tel system.

The radio systems - Microwave, Ultra-High Frequency (including Tropospheric Scatter), Very High Frequency, and High Frequency - provide circuits for local and long distance telephone services, television networks, radio broadcasting networks, data, national defence systems, teletypewriter exchange service (TWX), and for many other facilities.

Local and network television service has been extended to many communities throughout the province over B. C. Telephone facilities, and the program feeds for the CBC radio network are provided and maintained by B. C. Telephone.

An experimental conference television radio circuit is to be set up between Vancouver and Victoria later this year. The service will be called "Confravision". This circuit will enable a group of participants in each of the two cities to see as well as talk to each other.

The two-hop tropospheric scatter system which links Port Hardy, B. C., to Annette Island, Alaska, through a relay station on Trutch Island, was inaugurated in 1963 and forms a link between Alaska and United States telephone systems for the transmission of multi-channel voice and data.

The B. C. TEL microwave radio system across the province's southern regions carries programs of the two national television networks as well as hundreds of voice circuits which link British Columbia with the rest of Canada. 1968 saw the beginning of construction of the Northern Inter-Provincial Radio System, and in 1970 this system was put into full operation. The two Satellite Earth Stations at Cowichan Lake are





BRITISH COLUMBIA TELEPHONE COMPANY

RADIO DEVELOPMENT (cont'd)

connected to these heavy route microwave systems, allowing voice, data, and television to be transmitted via satellite between Lake Cowichan and Eastern Canada or the many countries on the Pacific Rim served by the Intelsat System.

In 1968, B. C. TEL introduced a Pocket Paging system to allow a person, away from his office, to be alerted to telephone his office as soon as possible. Initially, a 3,000 subscriber service was offered in Vancouver, Victoria, Kamloops and Prince George. In early 1974 this system will be expanded to accommodate 10,000 subscribers.

B. C. TEL operates one of the largest public radiotelephone networks of its kind in the world, serving over 3,000 ships, hundreds of isolated fixed stations, and thousands of mobile stations on High Frequency, Very High Frequency, and Ultra-High Frequency systems, including the world's first automatic radio coin telephone service. Radiotelephone service is available on all major highways in British Columbia through the Very High Frequency FM network.



BRITISH COLUMBIA TELEPHONE COMPANY

GLOSSARY - TELEPHONE ABBREVIATIONS

<u>ACD</u>	Automatic Call Distribution	<u>CI</u>	Concentrator Identifier
<u>AIOD</u>	Automatic Identification on Outward Dialing (Centrex only)	<u>CLO</u>	Circuit Layout Order
<u>AM</u>	Amplitude Modulation	<u>CO</u>	Central Office or Chief Operator
<u>ANC</u>	All Number Calling	<u>COTC</u>	Canadian Overseas Telecommunication Corporation
<u>ANI</u>	Automatic Number Identification	<u>CPE</u>	Customer-Provided Equipment
<u>ATB</u>	All Trunks Busy	<u>CRB</u>	Customer Records and Billing
<u>B</u>	Business Service	<u>CRC</u>	Commercial Record Card
<u>BAR</u>	Business Account Representative	<u>CT</u>	Coin Telephone
<u>BCT</u>	B. C. Telephone Company	<u>CTCA</u>	Canadian Telecommunications Carriers Association
<u>BMEWS</u>	Ballistic Missile Early Warning System	<u>CWO</u>	Custom Work Order
<u>BRA</u>	Base Rate Area	<u>CXL</u>	Centrex Extra Listing
<u>CAMA</u>	Centralized Automatic Message Accounting	<u>DA</u>	Don't Answer or Directory Assistance (depending on context)
<u>CATV</u>	Community Antenna Television	<u>DAK</u>	Denies All Knowledge
<u>CAX</u>	Community Automatic Exchange	<u>DAS</u>	Directory Assistance Service
<u>C-1 EAX</u>	Canadian Model #1 of Electronic Automatic Exchange	<u>DB</u>	Decibel
<u>CB</u>	Common Battery	<u>DDD</u>	Direct Distance Dialing
<u>CCTV</u>	Closed Circuit Television	<u>DEX</u>	Daily Except
		<u>DIR</u>	Directory



Glossary - Telephone Abbreviations

<u>DLY</u>	Daily	<u>HM</u>	Hang-up Monophone
<u>DM</u>	Desk Monophone	<u>IDDD</u>	International Direct Distance Dialing
<u>DP</u>	Drop	<u>IDF</u>	Intermediate Distributing Frame
<u>DSA</u>	Dial System "A"	<u>I/M</u>	Inside Move
<u>DSS</u>	Dial Selective Signalling	<u>IX</u>	Interexchange
<u>DXL</u>	Delayed Extra Listing	<u>JO</u>	Job Order
<u>DXS</u>	Daily Except Sunday	<u>KIL</u>	Key-in-lieu (of telephone)
<u>DXSS</u>	Daily Except Saturday and Sunday	<u>LLC</u>	Line Load Control
<u>EAS</u>	Extended Area Service	<u>LS</u>	Loudspeaker
<u>EAX</u>	Electronic Automatic Exchange	<u>LD</u>	Long Distance
<u>EDDD</u>	Expanded Direct Distance Dialing	<u>LPL</u>	Listed Under Primary Listing
<u>EDP</u>	Electronic Data Processing	<u>LW</u>	Leased Wire
<u>ETV</u>	Educational Television	<u>LYP</u>	List in Yellow Pages
<u>EXCH</u>	Exchange	<u>MAG</u>	Magneto
<u>FCO</u>	Foreign Central Office	<u>MAP</u>	Market Assignment Plan
<u>FM</u>	Frequency Modulation	<u>MC</u>	Main Classification (In Yellow Pages)
<u>FTW</u>	Federation of Telephone Workers	<u>MDA</u>	Market Development Area
<u>FWI</u>	Four Wire Model #1 (Swbd. )	<u>MDF</u>	Main Distributing Frame
<u>FX</u>	Foreign Exchange	<u>MIL</u>	Mileage
<u>HF</u>	High Frequency		





Glossary - Telephone Abbreviations

<u>NO</u>	Number	<u>PUB</u>	Public or Public Telephone Service
<u>NO CHG</u>	No Charge	<u>R</u>	Residence Service
<u>NPA</u>	Numbering Plan Area	<u>RC</u>	Radio Control Circuit
<u>NRC</u>	Nonrecurring Charge	<u>RDI</u>	Rate Determination Inquiry
<u>OB</u>	Outdoor Booth	<u>RO</u>	Routine Order
<u>1L</u>	One-inch Information Listing	<u>RT</u>	Regular Type Listing
<u>ONI</u>	Operator Number Identification	<u>R/W</u>	Right of Way
<u>OP</u>	Off-premises or Outside Plant	<u>SAGE</u>	Semi-Automatic Ground Environment
<u>OPX</u>	Off-premises Extension	<u>SAL</u>	Study Area Location
<u>PABX</u>	Private Automatic Branch Exchange	<u>SATT</u>	Strowger Automatic Toll Ticketing
<u>PAX</u>	Private Automatic Exchange	<u>SC</u>	Signal Circuit
<u>PB</u>	Party Business	<u>SCC</u>	Service Connection Charge
<u>PBX</u>	Private Branch Exchange	<u>SCCS</u>	Software Controlled Communication Service
<u>PCM</u>	Pulse Code Modulation	<u>SCHG</u>	Surcharge
<u>PL</u>	Primary Listing or Private Line	<u>SCO</u>	Service Central Office
<u>PN</u>	Program Transmission (Network IX)	<u>SERV SEC</u>	Service Section
<u>PP</u>	Private Property	<u>SO</u>	Service Order
<u>PSRT</u>	Public Service Radio Terminal	<u>SR</u>	Service Representative
<u>PT</u>	Program Transmission (Local)	<u>SRN</u>	Siren Circuit



Glossary - Telephone Abbreviations

<u>SRO</u>	Special Repair Orders	<u>TR</u>	Traffic Recommendation or Trademark Regular Type Listing
<u>SS</u>	Suspension of Service		
<u>SSB</u>	Single Side Band	<u>TRF</u>	Transfer
<u>STN</u>	Station	<u>TS</u>	Toll Station
<u>SUB</u>	Subscriber	<u>TSO</u>	TWX Sales Order
<u>SWBD</u>	Switchboard	<u>TSPS</u>	Traffic Service Position System
<u>T&amp;C</u>	Time and Charges	<u>TT</u>	Teletype or Tie Trunk
<u>TACS</u>	Telephone Alarm Control System	<u>TTRK</u>	Tie Trunk
<u>TC</u>	Touch Calling	<u>TTY</u>	Teletype or Tie Trunk
<u>TCTS</u>	Trans-Canada Telephone System	<u>TWX</u>	Teletypewriter Exchange Service
<u>TD</u>	Temporary Disconnection	<u>U/G</u>	Underground
<u>TEOP</u>	Traffic Engineering Outline of Plan	<u>UHF</u>	Ultra-High Frequency
<u>TESAC</u>	Telephone Employees Social and Athletic Club	<u>VC</u>	Verification Call
<u>TH</u>	Trademark Heading	<u>VF</u>	Voice Frequency
<u>TFR</u>	TWX Facility Request	<u>VHF</u>	Very High Frequency
<u>TN</u>	Trade Name Listing	<u>VID</u>	Video
<u>TO</u>	Take Out	<u>VN</u>	Video Network
<u>TP</u>	Telephoto or Teleprocess- ing	<u>VO</u>	Voice Operated
		<u>VT</u>	Video, Local
		<u>TVS-VU</u>	Video Pickup



Glossary - Telephone Abbreviations

TVS-VS    Video Transmission Service

W            Wall

WATS       Wide Area Telephone Service

WO          Work Order

WP          Wiring Plan or Weatherproof

XL          Extra Listing





BRITISH COLUMBIA TELEPHONE COMPANY

GLOSSARY - TELEPHONE TERMS

Acoustic Monophone

A telephone handset equipped with an adjustable volume control to amplify reception for hard-of-hearing users or for noisy locations.

Airline Measurement

The shortest distance between two points.

Base Rate Area

The area within which individual and two-party main station exchange services are furnished at basic monthly rates without the application of exchange mileage charges.

Central Office

One or more central office units, at the same location, serving a common area.

Central Office Area

The area served by a single central office.

Central Office Unit

An assembly of equipment arranged for interconnecting customers' lines and trunks for providing telephone communication between customers in a given group, and for furnishing access for these customers to other such units and to the long distance facilities of the Company.

Centrex

Service providing direct inward and outward dialing for PABX extensions. The PABX is assigned a district central office code, and made a part of the numbering plan. A main listed number will give access to the PABX operator.



## Glossary - Telephone Terms

### Circuit

The name applied to a wire or pair of wires over which telephone service is furnished. The former is termed a "grounded" circuit and the latter, a "metallic" circuit.

### Circuit Measurement

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.

Coin Telephone - (See Public Telephone and Semi-Public Telephone.)

### Common Battery Service

The type of telephone service in connection with which energy for talking and signalling is supplied from a central point. Common battery service is usually recognized as that type of service by which a central office operator is signalled by moving the receiver switch on the customer's instrument, although common battery energy also is used in connection with automatic switching equipment.

### Connecting Company

A corporation, association, firm or individual owning and operating a toll line or one or more central offices with which traffic is interchanged.

### Consecutive Numbers

The telephone numbers assigned to the individual circuits of a circuit group, so arranged that although only the first or listed number is called, the call may be completed over the first nonbusy circuit in the group.



## Glossary - Telephone Terms

### Construction Charge

A charge billed to a customer based upon the cost of labor and material where unusual costs are involved in the establishment of the service.

### Directory Listing

A customer's name, address and telephone number published in the Company's telephone directory.

### Emergency Calls

Calls put through in any exchange in case of fire or accident or other emergency when assistance is quickly and urgently required.

### Emergency Service

Service supplied out of regular hours at exchanges where continuous service is not provided.

### Exchange

A basic unit for the administration of telephone service. An exchange services a community that normally has a city, town or village as its center and often includes outlying rural districts. Service is provided from one or more central offices.

### Exchange Area

One or more central office areas within which exchange rates apply.

### Exchange Service

The telephone service provided within an exchange area, including connection to the nearest toll switchboard.





## Glossary - Telephone Terms

### Exchange Station

A telephone station furnished under a contract for exchange service.

### Exchange Trunk

A circuit connecting a private branch exchange switchboard with a central office.

### Extended Area Service

Interexchange telephone service furnished between two or more exchange areas at flat or measured exchange service rates. The service may be introduced by the Company on a nonoptional basis subject to its acceptance by a majority of the customers involved under the extended area service plan.

### Extended Service Area

The area comprising one or more exchange areas, defined under an extended area service.

### Extension Bell

An auxiliary bell separate from the station bells, but connected to the same circuit and operated in conjunction therewith.

### Extension Circuit

A circuit connecting an extension station with a main station, or a private branch exchange station with a private branch exchange switchboard.



## Glossary - Telephone Terms

### Extension Line Mileage

The air line measurement of an extension circuit for which a charge is made.

### Extension Station

An additional station connected to the same circuit as the main station and subsidiary thereto.

### Flat Rate Service

A class of exchange service furnished to a customer for which a charge is made irrespective of the extent of use, as distinguished from measured rate service.

### Foreign Exchange Mileage

The air line measurement for the interexchange facilities required to provide foreign exchange service.

### Foreign Exchange Service

A flat rate message toll service. The subscriber is furnished with an individual line exchange telephone or PBX trunk from an exchange which does not normally serve the area in which the subscriber is located.

### Free Calling Area

An exchange area or a group of exchange areas wherein calls between stations are not subject to message toll charges.

### Individual Line Service

A class of exchange service which provides for only one main station per circuit.



## Glossary - Telephone Terms

### Inside Station

A private branch exchange station or extension station located on the same premises as the private branch exchange switchboard or main station to which it is connected.

### Installation Charge

A charge based on the cost of processing the order and the actual cost of labor and material involved in the installation of interior wiring and certain types of equipment.

### Inwats

Service which allows a customer to place a direct dialed call (free of charges) to a company for the purpose of placing an order or to make a reservation.

### Jack

A fixed socket designed to permit the establishment of a telephone connection by means of a plug-ended cord.

### Key

A switch used for connecting or disconnecting a station, bell or circuit.

### Line

A name often used when referring to a wire or the pair of wires over which any type of telephone service is supplied.

### Local

A term sometimes used to denote a private branch exchange station.

### Locality Rate Area

A community located within an exchange area, but not included in the





## Glossary - Telephone Terms

### Locality Rate Area (Cont'd)

base rate area, where, because of its concentrated telephone development and the demand for urban grades of service, a commuted mileage charge applies in lieu of the regular exchange line mileage charge on individual and two-party line services.

### Loop

The closed path in an electrical circuit. A subscriber's loop. The pair of wires from a central office out to the subscriber's telephone.

### Magneto Service

The type of service which requires the use of a hand generator at the customer's station in order to signal the operator, and a local battery to provide the talking current.

### Main Station

A station directly connected with a central office by means of an individual or party line circuit. Also called Primary Service.

### Measured Rate Service

A class of exchange service which is charged for wholly or in part on the basis of extent of use, and for which a coin collecting device is not required.

### Metropolitan Area

A large community or group of communities served by one or more exchanges and/or central offices.

### Mileage

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.



## Glossary - Telephone Terms

### Mileage Center

The point in each central office area from which multi-party exchange mileage is measured and which is used in the calculation of extension line mileage charges.

### Miscellaneous Equipment

Auxiliary equipment furnished in addition and subsidiary to facilities provided in conjunction with primary exchange service.

### Multicom

High speed data transmission service (2400 to 50,000 bits per second).

### Multi-office Exchange

An exchange served by two or more central offices.

### Off-premises Station

A private branch exchange station or extension station located on premises separate from the private branch exchange switchboard or main station to which it is connected.

### Party-line Service

A class of exchange service which provides that more than one main station may be served by the same circuit.

### Portable Telephone

A telephone equipped with a plug-ended cord, providing a detachable connection with a line terminating in a jack or jacks.

### Private Branch Exchange System

An arrangement of equipment consisting of a group of telephone stations connected with a switchboard or other switching device providing for telephone communication between the stations. By means of trunks, commun-



## Glossary - Telephone Terms

### Private Branch Exchange System (Cont'd)

ication is also provided with the central office.

The following classes are available:

#### Automatic System (PABX)

A private branch exchange system using a dial controlled switching unit to provide intercommunication and outgoing service, also equipped with an attendant's position for receiving and distributing incoming calls. The system is usually termed a private automatic branch exchange (PABX).

#### Cordless Switchboard System

A system employing a switchboard through which connections are made by means of keys.

#### Cord Multiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords, but having more than one appearance of trunk and station jacks.

#### Cord Nonmultiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords and having only one appearance of trunk and station jacks.

Circuits, equipment and facilities ordinarily furnished in connection with private branch exchange service include the following:

#### Attendant Switchboard Position

A switchboard position required for the handling of incoming calls for a private automatic branch exchange.

#### Attendant Trunk

A circuit connecting the mechanical switching equipment with the attendant position of a private automatic branch exchange.

#### Private Branch Exchange Station

A station connected to a private branch exchange.



## Glossary - Telephone Terms

### Private Line

A voice grade circuit between two or more points.

### Public Telephone

An exchange telephone with coin collecting device (coin telephone) installed on the Company's initiative, or at the Company's option, at a location chosen or accepted as suitable and necessary for furnishing service to the general public.

### Rate Center

The point in each exchange from which distances are measured for the calculation of charges for interexchange services.

### Residence Service

Exchange telephone service installed in a private residence or private living quarters, and used only for the social or domestic affairs of the household.

### Restricted Service

A limited service furnished extension stations or private branch exchange stations providing intercommunicating service only.

### Route Measurement

The actual length of a circuit between two points.

### Semi-Public Telephone Station

A coin telephone installed with the approval of the Company in locations to which both the customer and general public have access, minimum daily receipts being guaranteed by the customer, who also is entitled to a directory listing.

### Service Connection Charge

A charge made to cover the clerical work incidental to the establishment of the service.





## Glossary - Telephone Terms

### Service Entrance

The cable or wire that enters the private property and building from the exchange cable feed to the main cross-connecting terminal within a building.

### Speakerphone

A telephone equipped with a microphone and control keys, used in conjunction with a loudspeaker and a power unit to provide a loudspeaking feature.

### Station Connection

The interior and exterior cable or wire, except the entrance circuits, located on private property.

### Station Jacks

The jacks on a private branch exchange switchboard for the connection of station circuits.

### Subscriber

An individual or entity contracting for any form of service furnished by the Company, generally referred to as our customers.

### Telephone Number

The seven-digit number assigned to a telephone station or private branch exchange system for convenience in operating. The first two digits identify the central office or exchange, the third digit the central office unit within the exchange, the remaining four digits identify the particular customer's circuit or line within the central office unit of the exchange.

### Telephone Station

A telephone, consisting of a transmitter, receiver and associated apparatus which permits telephone conversations with other stations.



## Glossary - Telephone Terms

### Telpak

A "bulk rate" arrangement for customers who require a large number of circuits for full-time use over a given intercity route.

### Temporary Disconnection

A temporary or partial discontinuance of service without termination of contract.

### Tie Trunk

A circuit providing intercommunication between private branch exchanges of the same or separate subscribers, and over which central office service may be extended.

### Toll Station

A method of providing telephone service to persons in rural areas outside of any exchange.

### Toll Terminal

A direct circuit from a customer's premises to the Company's long distance switchboard used solely for long distance connections.

### Touch Calling

Instead of the conventional rotary dial, the Touch Calling telephone has 12 push buttons that may be pressed in quick succession. Ten of the buttons are for the 10 digits and there are two extra buttons for future special requirements, such as data transmission or computer access.

### Transfer of Calls

An arrangement by which calls for one telephone number may be transferred to another specified telephone number for a stated period.

### Trunk

A circuit connecting a private branch exchange switchboard with a central office.



## Glossary - Telephone Terms

### Trunk Jacks

The jacks on a private branch exchange switchboard for the connection of exchange trunks.

### Wiring Plan

An arrangement of telephone equipment and wiring with which keys are provided, designed to meet the special needs of a subscriber.





BRITISH COLUMBIA TELEPHONE COMPANY

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

TELEPHONE LINES

Business Individual Lines  
Business Measured Lines  
Outgoing Trunk Service  
Incoming Trunk Service  
Two-Way Trunk Service  
Individual Residence Lines  
Two-Party Residence Lines  
Multi-Party Residence Lines  
Multi-Party Business Lines  
Centrex Business Lines (custom)

STANDARD CUSTOMER  
EQUIPMENT AND SERVICES

Desk Phones  
Wall Phones  
Hang Up Telephones (recovery only)  
Starlite Telephones  
Panel Phones  
Styleline Phones  
Extension Telephones  
Portable Telephones  
Loudspeaking Telephones (2 types)  
Colored Telephones in various  
colors  
Decorator Telephones (3 types,  
various colors)  
Privacy Arrangement (2 types)  
Switching and Control Keys  
(9 varieties)  
Multiline Cabinets (8 varieties)  
Busy Out Service  
Long Cords (3 sizes)  
Retractable Cords (2 sizes)  
Auxiliary Audible Signals  
Buzzers  
Gongs

STANDARD CUSTOMER  
EQUIPMENT AND SERVICE(cont'd)

Chimes  
Bells  
Howlers  
Auxiliary Visual Signals  
Neon Lights  
Lamp Signals (6 sizes)  
Hard-of-Hearing Handset  
Automatic Dialing Units (1 type)  
Secretarial Answering Units  
(3 sizes)  
Confidencer  
Multiline Telephones  
Type 85  
Type 86 (recovery only)  
Type 87  
Type 186  
Type 187  
Multiline Adapters (9 sizes)  
Call Directors (2 sizes)  
Consecutive Number Service  
Overline Billing  
Touch Calling  
Transfer of Calls  
Vacation Service  
Directory Assistance Service  
Repair Service

COIN TELEPHONES

Outdoor Public Service  
Indoor Public Service  
Semi-Public Service  
Ship-to-Shore Public Service



## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### LONG DISTANCE

Credit Cards  
Call Collect  
Zenith Service  
Conference Calling  
Full Time WATS - to dialable points  
Measured WATS - to dialable points  
Special Billing  
Station-to-Station Service (2 types)  
Person-to-Person Service  
Direct Distance Dialing (DDD)  
Third Number Billing  
Inratel

### SWITCHBOARDS

Manual Switchboards  
Type 551 - 4 sizes available  
Type 555 - 3 sizes available  
Cordless - 3 sizes available  
Automatic Switchboards  
Type 19 - B - 5 (sold on  
recovery basis only)  
Type 40 (recovery basis only,  
no new purchases)  
Type 80  
Type 90 - B - 20  
Type 75 (custom built to meet  
requirements)  
Type 300 Series (Several Sizes)  
AKD 741  
GTX 400  
Locals on Switchboards  
Standard Locals  
Restricted Locals (2 types)  
Off Premises Locals  
Extension Locals  
Auxiliary Services Available on  
most Automatic Switchboards:  
Headsets (various models)  
Code Call (3 sizes)  
Busy Lamp Cabinets

### SWITCHBOARDS (cont'd)

P. A. Cut-in  
Trunk Busy Out Feature  
Predetermined Night Answering  
Station Overlining  
Divided Trunking  
Automatic Answering Circuits  
Background Music on Incoming  
Held Calls  
Executive Quick Call  
Dictation Recording Links  
Conference Service Manual  
Conference Service Automatic

### HOTEL/MOTEL SERVICES

Switchboards Manual  
Type 555  
Type 551  
Switchboards Automatic  
Type 40M  
Type 80M  
Type 320 (custom built to  
meet requirements)  
Type AKD 741 Motel/Hotel  
Type GTX 400 Series 10  
Auxiliary Services Available on  
most Automatic Boards:  
Message Waiting  
Message Waiting Telephones  
Maid Minder  
Toll Trunks  
Wake-up Service  
Random Restriction  
Message Register  
Toll Restriction

### DIRECTORY SERVICE

Residential Extra Listings  
Business Extra Listings  
Yellow Page Listings (business)



## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### DIRECTORY SERVICE (cont'd)

Yellow Page Display Ads  
Nonpublished Listings  
Nonposted Listings  
Joint User Service

### CUSTOM CALLING FEATURES

(in electronic exchanges only)

Three-Way Calling  
Call Waiting  
Speed Calling (3 sizes)

### INTERCOM

Buzzer Systems  
Dial Selective Intercom (3 sizes)  
Magnaphone  
Ring Master  
Automatic Point to Point  
Enterphone  
Private Automatic Intercom Systems  
(2 sizes)

### PAGING SERVICES

Enclosed Speakers (10 types)  
Horn Speakers (6 types)  
Amplifiers (2 sizes)  
Microphones (2 models)  
Answer Back Feature  
Area Selection (4 types)  
P.A. Cut-in - Automatic  
P.A. Cut-in - Manual

### FOREIGN EXCHANGE

Inter-City Exchange Service  
Tie Trunk Service  
Foreign Central Office Service

### PRIVATE LINE SERVICE

Full Period Inter-City Service  
Full Period Intra-Exchange Service  
Tie Line Service  
Automatic Signalling

### TELETYPE

Manual Units (4 types)  
Automatic Units (4 types)  
Switching Equipment (4 models)  
High-Speed Service  
Tape Send and Receive Units

### TWX

Manual TWX Service  
Automatic TWX Service  
TWX Conference Service  
Collect Call Service

### COMPUTER COMMUNICATIONS (DATA)

Dataspeed Transmitter (2 models)  
Dataspeed Receiver (2 models)  
Data Subsets (11 models)  
Dataline I, II and III Services  
Datacom  
M. S. D. S. (Message Switching  
Data Service)  
Datapak  
Multicom  
Voicecom  
VUcom I  
Faxcom  
Dataroute



## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### LEASED CIRCUIT FACILITIES for:

- Off Premises Extensions
- Off Premises Locals
- Facsimile
- Transceiver
- Telegraph
- Telephoto
- Wirephoto
- Wired Music
- Signal Circuits
- Closed Circuit TV
- Program Transmission
- Radio and TV Broadcast
- Private Lines
- Foreign Exchange and Tie Trunks
- Telemetrying Circuits
- Dataphone
- Personal Broadcast Networks
- Electrowriter
- Telpak (3 sizes)
- Control Circuits
- Teletype
- Data (4 types)

### RADIOTELEPHONE

- Mobile Service
- Radio Toll Station Service
- Private Radio Systems (custom built to meet requirements)
- Direct Dispatch Service
- Ship-to-Shore Service
- Radio Paging Services
- Radio Whistles
- Portable Radio Service
- Auxiliary Equipment for most Radiotelephones
- Selective Signalling
- Remote Control Units
- Repeater
- Antennas
- City-Wide Pocket Paging Service





## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### TELEVISION

National Broadcast Service  
Local Broadcast Service  
Switching and Selection Service

### SPECIALIZED CUSTOMER EQUIPMENT AND SERVICES

Telephone Service for Trains  
Telephone Service for Ships  
Transmitter Cut-Out Service  
Weatherproof Housings  
Portable Amplifying Service  
Voice Recorder Connector Units  
Electronic Sentries  
Electrowriters  
Artificial Larynx (2 options)  
Monitoring Cabinets  
Recorder Connectors  
Recorder Couplers  
Alarm Couplers  
Restaurant Order Systems  
Voice Recorder Starter  
Headset/Dial Assembly  
Watchman Services  
Quotation Broadcast Service - Brokers  
Annunciator Systems (2 sizes)  
Concentrator Identifier Service  
Call Answering Switchboards  
Automatic Time Announcing  
Incoming Metered Service  
Emergency Alerting  
Emergency Reporting  
Volunteer Emergency Systems  
Facilities and Equipment to provide:  
    Time of Day  
    Dial-a-Prayer, etc.  
    Market Reports (TV or voice)  
    Weather Bulletins  
Facilities for Community Antenna Systems  
Automatic Call Distribution (2 sizes)  
Centrex Service (custom built to meet requirements)  
Order Turret Service  
Key Conference Service



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE NUMBER DIRECTORY

<u>Executive</u>	<u>Business</u>	<u>Home</u>
Vice-President & General Manager (Coastal Area) - G. F. Auchinleck	662-8595	263-5000
General Counsel & Secretary - R. J. Bouwman	662-8013	263-3377
Vice-President - Operations - T. F. Heenan	662-8771	266-2755
Vice-President - Corp. Develop. - G. F. MacFarlane	662-8611	922-7666
Vice-President - Public Affairs - J. A. MacInnes	662-8101	987-1400
Vice-President - Comptroller - D. B. McNeil	662-8020	244-9352
Director of Marketing & Sales - R. H. Stevens	662-8181	261-0702
Vice-President - Personnel & Industrial Relations - F. S. Tucker	662-8711	922-5357
Treasurer - A. W. Vaughan	662-8126	261-6979
<u>Executive Director - Operations Staff</u>		
H. M. Van Allen	662-0137	685-4500
<u>Public Affairs - Vancouver</u>		
Public Information Manager - C. G. Patterson	662-8698	939-1446
Community Relations Manager - W. B. Chapman	662-8063	929-4000
Advertising Manager - B. W. Holliday	662-8064	261-1722
<u>Public Affairs - Victoria</u>		
O. G. Jones (Island Division)	386-8995	477-1292
<u>Public Affairs - Prince George</u>		
R. F. Drane (Northern Division)	563-1437	564-7335
<u>Public Affairs - Kamloops</u>		
P. D. Harvey (Interior Division)	374-4286	374-1989
<u>Personnel</u>		
Director of Industrial Relations - J. B. Lidster	662-8193	922-5500



TELEPHONE NUMBER DIRECTORY Cont'd.

<u>Supply, Transportation &amp; Buildings Director</u>	<u>Business</u>	<u>Home</u>
E. P. LaBelle	526-8611	683-3636
<u>East Division - Coastal Area</u>		
Manager - C. R. Swabey	(662-8004 (433-1022)	980-3555
District Managers -		
Vancouver East-Burnaby District - A. A. Higinbotham	438-2131	266-2100
New Westminster District - T. R. Watson	522-1277	263-5874
Lower Fraser Valley District - R. J. E. Smith	588-9811	435-7216
Upper Fraser Valley District - F. V. Bogle	(853-5551 (522-1276)	859-9215
<u>West Division - Coastal Area</u>		
Manager - G. C. MacDonald	662-8027	987-6690
District Managers -		
Vancouver West-Richmond District - G. M. Scott	731-1213	731-2731
Vancouver South District - G. A. Mitchell	662-0595	324-2800
Vancouver Central District - T. G. Williams	662-0505	733-2200
North Shore District - G. L. Abbott	980-2711	266-2626
<u>Island Division</u>		
Manager - G. M. Smith (Victoria)	386-8991	598-2121
Division Customer Service Manager - R. V. Ostler	386-8717	658-5788
District Customer Service Managers -		
Victoria District - B. J. Parker	386-8941	479-4237
Nanaimo District - G. H. Ball	753-3120	758-2916
Campbell River District - C. L. Bennie	287-3324	923-6464
<u>Interior Division</u>		
Manager - G. K. Stenner (Kamloops)	374-4212	374-2505
Division Customer Service Manager - D. A. Smith	374-4229	372-2100
District Customer Service Managers -		
Kamloops District - R. J. Mark	374-4233	374-1640
West Kootenay District - D. S. Knight (Nelson)	352-9221	352-5100
East Kootenay District - J. J. McGimpsey (Cranbrook)	426-4848	426-7300





TELEPHONE NUMBER DIRECTORY Cont'd.

Northern Division

	<u>Business</u>	<u>Home</u>
Manager - R.C. Simpson (Prince George)	563-1434	562-1000
District Managers -		
Prince George District - P.W. Hedman	563-1454	563-5800
Terrace District - S.G. Patterson	635-5011	635-3044
Peace River District - W.A. Ronquist	782-3545	782-2121



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AR22

***B.C. TEL***



768 Seymour St., Vancouver, B.C., Canada

**BRITISH COLUMBIA  
TELEPHONE COMPANY**

**Quarterly Report to Shareholders  
for the period ended June 30, 1973**

Printed in Canada

## TO OUR SHAREHOLDERS:

**EARNINGS:** The return on the average capital invested in the consolidated operations of British Columbia Telephone Company for the six months ended June 30, 1973 was 3.59% and the return on average ordinary equity was 3.89%. These returns are at the annual rates of 7.18% and 7.78% and compare with annual rates of 7.48% and 9.44% for the same period in 1972.

Gross revenues for the quarter of \$62,875,000 were up 13.2% over 1972. However, expenses, including income taxes and depreciation, of \$51,403,000 were up 17.0% indicating a continuation of the trend, referred to in our report for the first quarter, whereby expenses are increasing at a rate exceeding the increase in revenues.

Income available for interest and other charges amounted to \$12,773,000 compared with \$12,019,000 for the same period in 1972. However, as a result of the larger amount of debt outstanding and higher interest rates on short-term debt, interest and other charges amounted to \$7,027,000 compared with \$6,154,000 for the same period in 1972. After dividends on Preference and Preferred shares there remained available for ordinary shares \$4,302,000 or \$1.33 per average ordinary share compared with \$1.47 in the second quarter of 1972.

Ordinary share earnings for the quarter are below the comparable quarter in 1972. It is to be noted, however, that the comparison is more favourable than it was in the first quarter. The report for the first quarter indicated that changes in both Federal and Provincial income tax rates and the new Provincial tax on capital utilized would result in a reduction in earnings of 17 cents per share. For the second quarter the comparable figure is 19 cents per share bringing the total reduction for the first six months to 36 cents.

The examination of our capital and operating expenses for the years 1973 and 1974 has been intensified to see whether further savings can be effected without impairing service.

**SERVICE DEVELOPMENT:** Telephones in service increased 18,093 for the quarter and 40,506 for the half year, compared with 13,675 for the second quarter and 30,725 for the first half of 1972. Telephones in service at June 30, 1973 totalled 1,220,844.

The movement of subscribers from one location to another continues at a high rate and over 204,000 telephones were connected and

nearly 164,000 disconnected to produce the half-year gain reported above.

**EMPLOYEE RELATIONS:** On June 11, 1973 agreement was reached with the Federation of Telephone Workers of British Columbia on a two-year contract effective from the expiry of the previous contract, December 31, 1972. Agreement was reached following extensive negotiation and the services of both a conciliation officer and a Board of Conciliation.

Main points covered in the Agreement are wage increases of 8% effective January 1, 1973 and 9% effective January 1, 1974, both based on rates in effect December 31, 1972, with some adjustments. Also included is an increase of 10% in pension benefits on service subsequent to January 1, 1973 but retroactive to include those employees who were 50 years of age or over on that date so that they will have a minimum of 15 years at the increased rate if they retire at 65. This pension provision is subject to the employees in the bargaining unit setting up a contributory pension plan to which they will contribute 1% of wages in 1973 and 2% of wages in 1974. Many other items relating to working conditions were also included in the final Agreement.

Following the above settlement negotiations were commenced on a new working agreement between Okanagan Telephone Company, a subsidiary, and the Federation of Telephone Workers of British Columbia representing 550 employees. A mediation officer appointed by the provincial government reported his inability to reach a settlement to the Provincial Minister of Labor and on August 21, 1973, the employees, who had previously served strike notice, were called off their jobs. The strike is still in effect.

**FINANCING:** A preliminary prospectus covering an issue of First Mortgage Bonds has been filed in all applicable provinces. The amount of the issue, together with other terms and conditions, will be announced at the time the final prospectus is filed.



President and Chief Executive Officer

Vancouver, B.C.  
August 22, 1973



BRITISH COLUMBIA TELEPHONE COMPANY

**CONSOLIDATED STATEMENT OF EARNINGS**

(Subject to audit and year-end adjustment)

	Three Months Ended June 30			Six Months Ended June 30		
	1973	1972	1971*	1973	1972	1971*
	Thousands of Dollars			Thousands of Dollars		
Operating revenues .....	\$ 62,875	\$ 55,527	\$ 48,146	\$ 122,600	\$ 109,241	\$ 93,502
Operating expenses .....	46,038	39,115	35,772	90,169	77,760	69,844
Net operating earnings before income taxes .....	16,837	16,412	12,374	32,431	31,481	23,658
Other income .....	1,301	429	330	1,861	764	650
	18,138	16,841	12,704	34,292	32,245	24,308
Interest and other deductions ...	7,027	6,154	5,488	14,013	12,098	10,646
Net earnings before income taxes .....	11,111	10,687	7,216	20,279	20,147	13,662
Income taxes .....	5,365	4,822	3,351	9,829	9,084	6,316
Net earnings .....	5,746	5,865	3,865	10,450	11,063	7,346
Dividends on preference and preferred shares .....	1,444	1,096	1,093	2,899	2,199	2,196
Net earnings available for ordinary shares .....	\$ 4,302	\$ 4,769	\$ 2,772	\$ 7,551	\$ 8,864	\$ 5,150
Earnings per average ordinary share outstanding during period ....	\$ 1.33	\$ 1.47	\$ .96	\$ 2.33	\$ 2.74	\$ 1.79

\* 1971 earnings restated downwards to reflect prior period adjustment resulting from a change in accounting policy for accrued vacations.

## BRITISH COLUMBIA TELEPHONE COMPANY

## CONSOLIDATED STATEMENT OF FUNDS USED FOR CONSTRUCTION

	For the six months ended June 30	
	1973	1972
	Thousands of Dollars	
SOURCE OF FUNDS		
From operations		
Ordinary share earnings .....	\$ 7,551	\$ 8,864
Add back expenses not requiring an outlay of funds		
Depreciation .....	23,780	20,763
Income taxes deferred .....	9,669	10,177
Other .....	466	405
	<u>41,466</u>	<u>40,209</u>
Less — Ordinary share dividends .....	5,179	5,179
	<u>36,287</u>	<u>35,030</u>
Financing Proceeds (Net)		
Preferred shares .....	—	19,491
Increase in short-term notes .....	18,170	(2,774)
	<u>18,170</u>	<u>16,717</u>
Other		
Decrease in working capital .....	17,969	4,510
Miscellaneous .....	(4,997)	(1,779)
	<u>12,972</u>	<u>2,731</u>
	<u>\$ 67,429</u>	<u>\$ 54,478</u>
CONSTRUCTION EXPENDITURES		
Gross plant additions .....	\$ 68,213	\$ 55,732
Less — Salvage value of plant retired .....	784	1,254
	<u>\$ 67,429</u>	<u>\$ 54,478</u>